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Human resources management

Activities of the Ethics Office

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 60/254 on the review of the efficiency of the administrative and financial functioning of the United Nations, in which the Assembly requested the Secretary-General to report annually on the activities of the Ethics Office and the implementation of ethics policies. The report additionally includes information on the activities of the Ethics Panel of the United Nations, as requested by the Assembly in its resolution 63/250 on human resources management.

The present report covers the period from 1 August 2014 to 31 July 2015.

* A/70/150.



I. Introduction

1. The present report, the tenth since the establishment of the Ethics Office in January 2006, is submitted pursuant to subparagraph 16 (i) of General Assembly resolution 60/254, in which the Assembly requested annual reporting on the activities of the Office and the implementation of ethics policies.
2. Considering the mandate of the Ethics Office to promote the highest standards of integrity and to foster an organizational culture of respect, transparency and accountability, the present report provides an overview and assessment of the activities of the Office from 1 August 2014 to 31 July 2015.
3. Based in New York, the Ethics Office provides advisory support on ethics and other services to the global staff population of the Secretariat. Pursuant to that responsibility, the Office continued its efforts to engage with as many staff as possible across the Organization during the reporting period. In addition to conducting outreach missions to multiple duty stations, the Office, *inter alia*, launched a new and mandatory online training course on ethics awareness, designed and initiated the 2014 leadership dialogue programme across the Secretariat, and revised and distributed ethics guidance and resource materials.
4. The present report further details developments in the administration by the Ethics Office of the Organization's financial disclosure programme and protection against retaliation policy. Efforts continue to be undertaken to strengthen both areas of service.
5. The report includes information on the activities of the Ethics Panel of the United Nations, as requested by the General Assembly in its resolution 63/250.

II. Background and general information

6. The Ethics Office was established by the Secretary-General as an independent Secretariat entity subsequent to the approval of the General Assembly at the 2005 World Summit (see Assembly resolution 60/1, para. 161 (d)). Having commenced operations on 3 January 2006, and in accordance with Secretary-General's bulletins ST/SGB/2005/22 and ST/SGB/2007/11, the functions of the Office include:

- (a) Providing confidential advice and guidance to staff on ethical issues, including administering an ethics helpline;
- (b) Administering the Organization's financial disclosure programme;
- (c) Administering the Organization's protection against retaliation policy;
- (d) Developing standards, training and education on issues relating to ethics, in coordination with the Office of Human Resources Management and other offices, and conducting outreach on ethics;
- (e) Supporting standard-setting for ethics and promoting policy coherence within the Secretariat and among the Organization's funds and programmes.

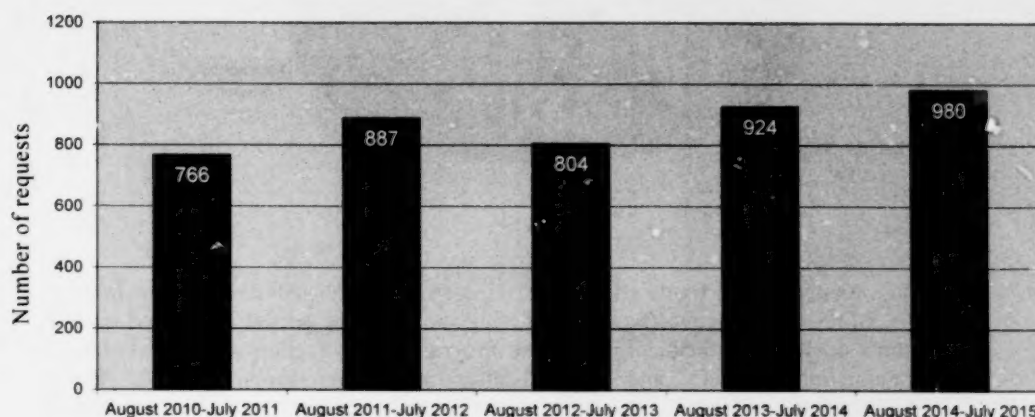
7. Pursuant to its core responsibilities, the Ethics Office assists the Secretary-General in ensuring that staff members perform their functions consistent with the highest standards of integrity required by the Charter of the United Nations. The Office serves the global Secretariat, including duty stations in New York, Geneva,

Vienna and Nairobi, all regional commissions, peacekeeping operations, special political missions and other designated offices.

8. During the reporting period, the Ethics Office received 980 requests for its services, representing the highest number of requests received by the Office over a reporting cycle in the history of its operations (see figure I).

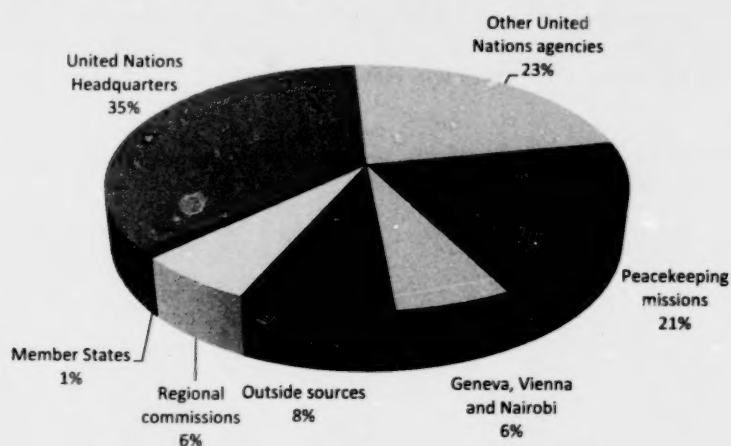
Figure I

Overall requests for Ethics Office services by reporting cycle, August 2010-July 2015



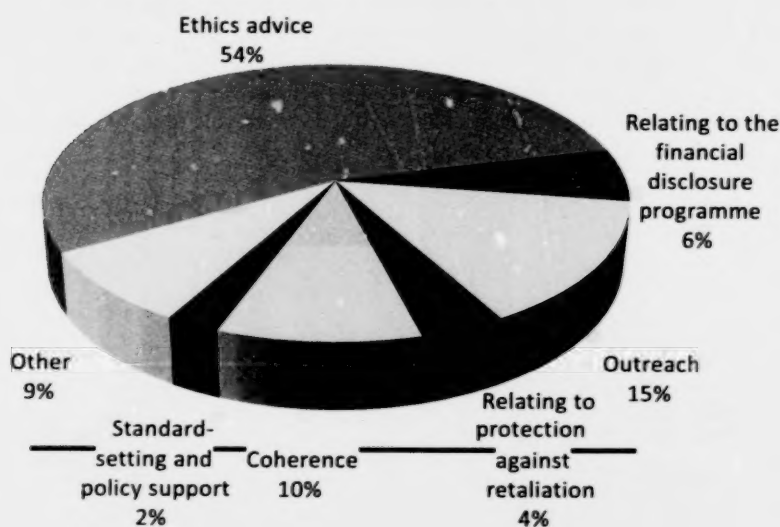
9. Although established in New York, the Ethics Office continues to receive a significant percentage of requests for its services from locations and entities away from Headquarters (see figure II). In its commitment to providing high-quality and confidential ethics advice to all staff, regardless of location, the Office engages in regular and sustained outreach activities. Since 2011, the Office has conducted more than 50 outreach visits to United Nations offices and entities away from New York. Such efforts to enhance global awareness of its services have seen an increase in the number of requests from 412 in the 2009/10 reporting cycle to an annual average of 872 requests over the past five years.

Figure II
Service requests by source, 1 August 2014-31 July 2015



10. As depicted in figure III, and reflecting the comprehensive service coverage of the Ethics Office, requests received during the reporting period concerned general ethics advice, the financial disclosure programme, protection against retaliation, training and outreach, and standard-setting and policy support. Ethics advice, including that relating to the financial disclosure programme, continued to account for the majority of requests for services received (60 per cent in the current cycle).

Figure III
Service requests by category, 1 August 2014-31 July 2015



III. Activities of the Ethics Office

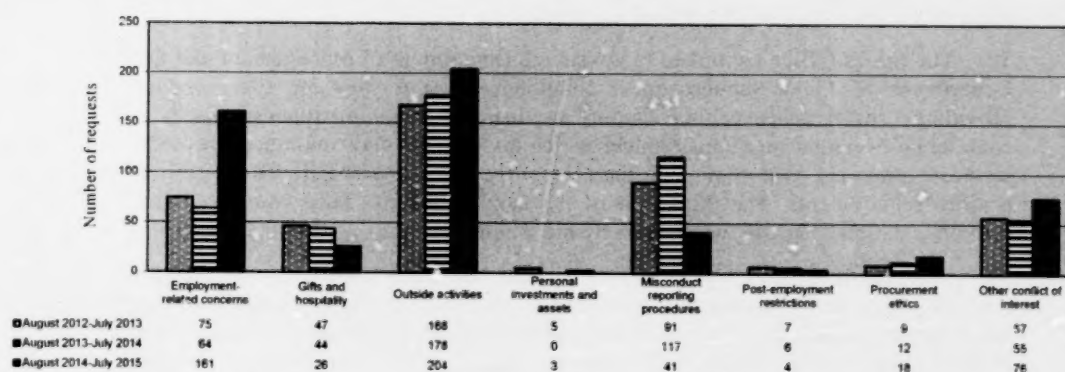
A. Advice and guidance

11. In its provision of confidential and impartial ethics advice, the Ethics Office plays an essential role in promoting and upholding the ethical standards of the Organization. In providing advice and guidance on the ethical obligations of international civil servants as contained in the Charter and applicable rules and regulations, the Office enables staff to make better decisions that advance the values, principles and interests of the United Nations.

12. In order to mitigate operational and reputational risks to the Organization, the Ethics Office further provides advice to staff and managers on preventing, managing and resolving actual or potential conflicts of interest. In providing such a function, the Office supports the integrity and credibility of the Organization.

13. Considering the essential role of the Ethics Office as an independent office neither representing staff nor management, United Nations personnel at all levels frequently contact the Office to obtain impartial and confidential advice and guidance. During the reporting cycle, the Office received 533 requests for advice, an increase of 12 per cent over the previous cycle. Figure IV provides a breakdown of the categories and number of requests for advice received over the past three reporting periods.

Figure IV
Requests for ethics advice by cycle, August 2012-July 2015



14. The highest number of requests for advice received during the reporting period concerned outside activities. The consistently high number of such requests reflects significant staff awareness of the need to consult on proposed external activities in the light of their obligations to the Organization. The Ethics Office provides advice and guidance on the appropriateness of outside activities being considered and on approval procedures. By providing advice that deters staff involvement in external activities incompatible with their status as international civil servants, the Office protects the reputation of the Organization.

15. The current reporting period saw a decrease in the number of inquiries recorded under the category of misconduct reporting procedures. The decrease is a result of the redefinition of the category by the Ethics Office, so that it now only captures those cases in which a staff member wishes to file a formal report of misconduct and seeks advice on the appropriate reporting mechanism. In previous cycles, the category captured all cases of general staff grievances. Many of those matters, such as inquiries concerning workplace disputes with supervisors, are now more appropriately categorized as employment-related concerns.

16. The Ethics Office continued to provide independent advice to the Procurement Division of the Department of Management on issues relating to the ethics, anti-corruption and corporate compliance programmes of vendors seeking to do business with the Organization. Such advice addressed the suitability of external ethics and compliance experts retained by vendors to verify that the vendor implemented business ethics, anti-corruption and compliance programmes adhering to the expectations of the United Nations; and whether the vendor's integrity initiatives provided sufficient assurance that the vendor met United Nations requirements.

17. In the course of the reporting period, the Ethics Office responded to queries from the Procurement Division regarding 18 vendors at various stages of the reinstatement process. Advice for each reinstatement matter required multiple reviews and consultations with the relevant departments. The Office continued to work closely with the Procurement Division to provide advice on third-party due diligence, reputational risk, potential organizational and personal conflicts of interest and best practices in anti-corruption programmes. In addition to making revisions to the expectations of the United Nations concerning ethics and compliance that vendors must satisfy to obtain reinstatement, the Office provided advice regarding corporate compliance programme requirements to be included in requests for proposals for larger procurements.

18. The Ethics Office continued to advise the Department of Management and the Department of Field Support on a compliance monitorship for two vendors providing critical peacekeeping support services. The monitorship establishes a contractual oversight mechanism under which the vendors may continue to provide services, provided that they and their employees comply strictly with United Nations requirements. The third year of the monitorship has been completed and recommendations made to the vendors by the monitors continue to be implemented.

19. In supporting the United Nations system, the Ethics Office responded to multiple ethics advice, policy and information requests from United Nations entities and their secretariats, including the Food and Agriculture Organization of the United Nations, the World Intellectual Property Organization, the United Nations Educational, Scientific and Cultural Organization, the United Nations University, the secretariat of the United Nations Framework Convention on Climate Change, the Joint United Nations Programme on HIV/AIDS, the World Health Organization and the United Nations Interregional Crime and Justice Research Institute.

B. Financial disclosure programme

20. The aim of the Organization's financial disclosure programme, as administered by the Ethics Office, is to protect the integrity and reputation of the Organization by identifying, managing and mitigating the risk of personal conflicts of interest.

Designated staff members, including all staff at the D-1 level and above and those whose principal duties involve procurement and investment, are required to file annual disclosure statements. The review of statements is conducted by an independent external party.

21. During the 2014 annual filing cycle, beginning on 1 March 2014 and covering the disclosure reporting period from 1 January to 31 December 2013, a total of 5,043 filers participated in the programme, including 1,092 for the first time (21.6 per cent). As at the close of the 2014 cycle, the programme had achieved a 100 per cent compliance rate, the first time in the history of the programme that full compliance had been attained. This compliance level is additionally commendable considering that several new field missions had been established in crisis locations during the middle of the filing cycle.

22. The Ethics Office provided substantive and technical support to participating staff throughout the 2014 filing cycle to facilitate compliance. The Office responded to individual queries within 48 hours and followed up with participants until their issues were fully resolved. It provided prompt advice to staff members requiring detailed guidance regarding their specific situations and helped to clarify applicable policies and staff regulations.

23. During the cycle, the Ethics Office communicated with filers primarily by e-mail and telephone. The programme handled approximately 38,000 e-mails, of which 21,000 were addressed by the Office and 17,000 by the external reviewer.

24. The Ethics Office further enhanced its use of information technology to better assist filers in meeting their compliance requirements. For the first time, the Office used online conferencing services such as WebEx to provide real-time system navigation assistance to new staff members not conversant with the programme's online filing platform. Such services have proved to be very effective and has received positive feedback from filers.

25. In the course of the 2014 cycle, the Ethics Office notified departmental focal points and heads of department regularly regarding their respective department's compliance level. This measure assisted departments in ensuring internal follow-up with staff who had failed to submit their disclosure statements or supporting documentation on time. Such follow-up was essential to ensuring that gaps in compliance were detected and remedied in a timely manner.

26. The verification of filer information to ensure accuracy and completeness is an integral part of the financial disclosure programme. During the 2014 filing cycle, 239 filers were selected for verification through stratified random sampling.

27. During the 2014 filing cycle, the external reviewer identified 177 filers (3.5 per cent of the filer population) as having a total of 193 items or activities that required review for conflicts of interest. Of those, 58 related to financial holdings, 53 to outside activities, 78 to family relationships and 4 to other categories. The external reviewer, in consultation with the Ethics Office, issued individual recommendations directed at mitigating and managing all actual and potential conflicts of interest.

28. In its resolution 63/250, the General Assembly endorsed a recommendation by the Advisory Committee on Administrative and Budgetary Questions that the Secretary-General provide data, by duty station, on: (a) the number of individuals

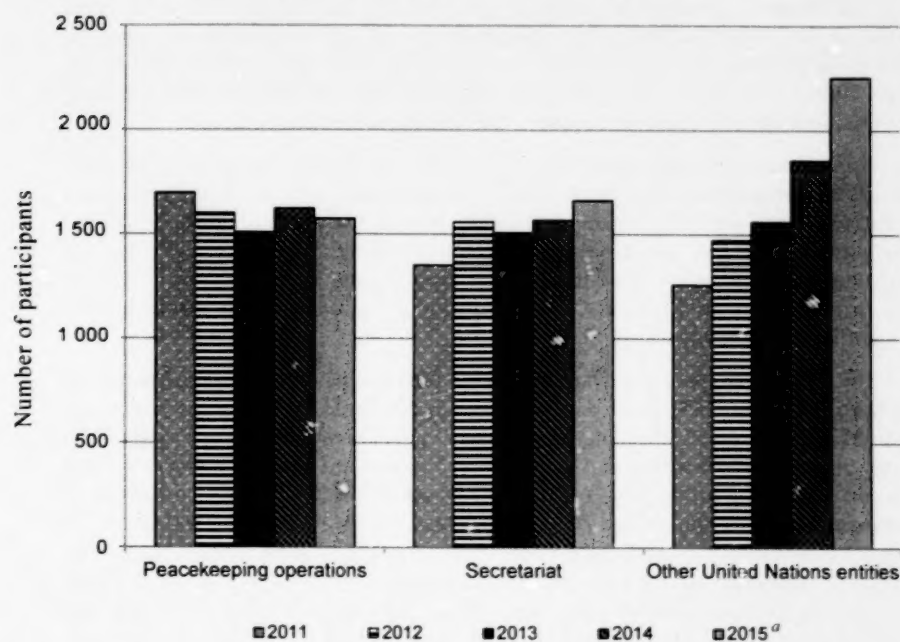
covered by the programme; (b) the number of individuals having complied with their filing obligations; (c) the number of individuals having failed to comply with those obligations; and (d) the reasons for their failure to comply. Information concerning the 2014 financial disclosure programme by department or office is contained in the annex to the present report.

29. In 2007, the Secretary-General initiated the voluntary public disclosure initiative, an annual exercise open to senior officials at the Assistant Secretary-General level and above who have fulfilled their confidential financial disclosure obligations under the financial disclosure programme. Signed voluntary disclosure forms are posted on the webpage of the Secretary-General on the United Nations website. Only those senior officials whose confidential financial disclosure forms are completed and closed are eligible to participate. The initiative is a key element of the Secretary-General's commitment to transparency and accountability. By making voluntary public disclosures, senior officials provide assurances to the public and Member States that the discharge of their official functions is not influenced by personal interests.

30. A total of 151 senior officials were eligible to participate in the 2014 voluntary public disclosure exercise, 103 of whom opted to publicly disclose a summary of their assets, liabilities and outside interests. Senior officials who opted to maintain the confidentiality of their financial disclosure information cited, *inter alia*, security concerns and cultural, religious and other reasons. The 2014 participation rate remained consistent with that of previous years, demonstrating an ongoing commitment to the initiative.

31. The 2015 financial disclosure programme filing cycle was successfully launched on 1 March 2015. As at 31 July 2015, a total of 5,488 staff members were enrolled in the programme. Figure V provides a comparison of annual participation levels by organizational grouping. The accompanying table depicts the numerical breakdown. As shown, the number of filers has continued to increase, although at a slower rate than in the early years of the programme. Compared with a population of 1,704 filers in 2006, the current filer population of 5,488 represents an increase of 222 per cent. Although filers from the Secretariat and peacekeeping operations continue to constitute the majority of the total filer population, the number of filers from other entities of the United Nations system that participate in the financial disclosure programme on a cost-sharing basis has increased considerably from 339 in 2006 to 2,253 in 2015.

Figure V
Financial disclosure participation by entity and filing year, 2011-2015



^a As at 31 July 2015.

Financial disclosure participation by entity and filing year, 2011-2015

Filing year	Peacekeeping operations	Secretariat	Other United Nations entities	Total by year
2011	1 697	1 351	1 258	4 306
2012	1 600	1 558	1 472	4 630
2013	1 508	1 405	1 560	4 573
2014	1 622	1 566	1 855	5 043
2015 ^a	1 574	1 661	2 253	5 488

^a As at 31 July 2015.

32. The increase in the filer population is indicative of the continuing awareness among programme managers, who are responsible for selecting programme participants, of the need to identify and manage the risk of conflicts of interest.

33. In addition to serving the Secretariat, the Ethics Office administers the financial disclosure programme for other entities of the United Nations system that

participate on a cost-sharing basis.¹ These include entities with smaller filing populations or that outsource the financial disclosure service to the Secretariat.

34. The financial disclosure services provided by the Ethics Office to other entities of the United Nations system ensure that measures to enhance awareness of conflicts of interest among staff and to mitigate the risk are applied consistently across United Nations entities. The arrangement is also cost-effective by reducing, *inter alia*, unit costs because of the larger participating filer population.

35. During the reporting period, the Ethics Office additionally provided technical and substantive guidance to other United Nations entities that are in the process of instituting their own financial disclosure programmes. Such assistance has contributed to effective capacity-building and the coherent application of financial disclosure standards and methodology, while recognizing the expectation of United Nations entities with a significant filer population to manage their own programmes and conflict of interest risks.

36. The review of the financial disclosure programme's regulatory framework continued during the 2014/15 reporting cycle. In 2014, the Ethics Office completed an initial internal review focusing on the existing regulatory framework in the light of the programme's history and experiences gained to date in addressing and mitigating conflicts of interest. A working group of the Secretariat composed of representatives from the Office of Human Resources Management, the Office of Central Support Services and the Ethics Office was established in 2015 to further review the regulatory framework and the recommendations of the internal study. The working group, with advisory input from the Office of Legal Affairs, has identified areas where modifications would be beneficial and continues to deliberate on aspects of the programme. The group's work included discussions on how to sharpen the programme's focus on conflict of interest risks; how to strengthen staff awareness; and what changes could add value to the programme, based on the experiences of other United Nations entities or involving national policies regarding conflict of interest management and asset declaration systems.

C. Protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations

37. The Ethics Office administers the policy on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations (see Secretary General's bulletin ST/SGB/2005/21). Recognizing the importance of whistle-blower protection in promoting the reporting of fraud, corruption and other serious forms of misconduct, the Secretariat developed the

¹ The following entities of the United Nations system currently participate in the programme: the United Nations Relief and Works Agency for Palestine Refugees in the Near East; the United Nations Institute for Disarmament Research; the United Nations Interregional Crime and Justice Research Institute; the Joint United Nations Programme on HIV/AIDS; the secretariat of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa; the Office of the United Nations High Commissioner for Refugees; the United Nations Compensation Commission; the secretariat of the United Nations Framework Convention on Climate Change; the United Nations Institute for Training and Research; the United Nations University; the United Nations Entity for Gender Equality and the Empowerment of Women; and the International Criminal Court.

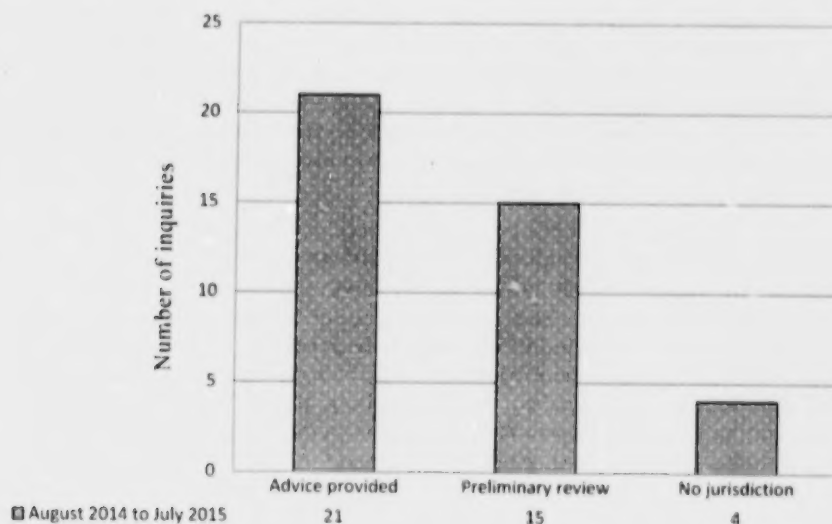
policy as an essential internal accountability mechanism following the 2005 World Summit Outcome.

38. In accordance with the protection against retaliation policy, the Ethics Office receives complaints of retaliation and conducts preliminary reviews to determine whether a complainant has engaged in a protected activity and, if so, whether the protected activity was a contributing factor in causing the alleged retaliation. If the Office determines that a prima facie case of retaliation has been established, the matter is referred to the Office of Internal Oversight Services for investigation. The Ethics Office makes a final retaliation determination subsequent to its review of the investigation report and supporting evidence.

39. During the reporting period, the Ethics Office received 40 inquiries concerning the protection against retaliation policy (see figure VI), of which 4 were determined to fall outside the mandate of the Office and 21 involved, inter alia, requests for policy advice and information. Staff members raising workplace concerns not covered by the policy were advised of other available resources and referred to the appropriate offices, including the Office of the United Nations Ombudsman and Mediation Services, the Management Evaluation Unit, the Office of Staff Legal Assistance and the Office of Human Resources Management. The 21 advice cases did not constitute allegations of retaliation pursuant to the protection against retaliation policy.

40. Concerning the inquiries where staff alleged retaliation in accordance with Secretary-General's bulletin ST/SGB/2005/21, the Ethics Office initiated 15 preliminary reviews. Of those, one staff member abandoned the protection against retaliation request, one case was resolved informally to the satisfaction of the complainant and the Office determined that seven of the reviews did not raise prima facie cases of retaliation. The majority of those cases concerned workplace disputes between the complainants and their colleagues or supervisor, wherein it was determined that the complainant had not engaged in an activity protected by the policy. Six cases remain under preliminary review.

Figure VI
**Actions taken on protection against retaliation policy inquiries,
 1 August 2014-31 July 2015**



41. During the reporting period, the Ethics Office further determined one prima facie case of retaliation for a protection request review initiated in 2013/14. With the advice provided by the Office and the consent of the complainant, however, the matter was resolved satisfactorily.

42. As previously reported, in 2012/13 the Secretariat initiated an external expert review of its protection against retaliation policy. Completed in the 2013/14 reporting cycle, the expert review issued recommendations to achieve a more effective and robust policy. In accordance with emerging global best practices, and noting that the current policy was being utilized by staff as a grievance mechanism for work performance disputes, the review recommended that the policy be refocused on protecting whistle-blowers who reported allegations or cooperated with investigations of wrongdoing that posed substantial harm to the interests, operations or governance of the Organization. It specifically noted the developing trend in relevant national legislation to reserve protection for disclosures of wrongdoing made in the public interest rather than personal interest, and further recommended expansion of the protection against retaliation policy to provide for retaliation prevention.

43. Upon the completion of the expert review, the Ethics Office, in collaboration with the Department of Management, the Office of Legal Affairs and the Office of Internal Oversight Services, prepared a proposal on a revised protection against retaliation policy. Following its review by the Executive Office of the Secretary-General, the revised policy proposal was presented at the April 2015 meeting of the Staff-Management Committee, held in Bonn, Germany. An ad hoc working group was subsequently established by the Staff-Management Committee to further consider the revised policy proposal. Composed of staff and management representatives, the working group held its first meeting in June 2015. It will

present its recommendations regarding the revised policy to the Staff-Management Committee upon the conclusion of its deliberations.

D. Outreach, training and education

44. Throughout 2014/15, the Ethics Office maintained its commitment to reach staff across the Organization. Engagement in staff outreach and awareness-raising is essential to identifying and addressing ethics-related concerns across the United Nations and to strengthening a consistent and shared ethical culture.

45. Pursuant to that goal, the Ethics Office conducted outreach missions to the United Nations Office at Geneva, the United Nations Interim Administration Mission in Kosovo, the Economic and Social Commission for Western Asia, the United Nations Interim Force in Lebanon, the Economic Commission for Africa, the Regional Service Centre at Entebbe, Uganda, the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo, the United Nations Multidimensional Integrated Stabilization Mission in Mali, the United Nations Mission for the Referendum in Western Sahara and the Kuwait Joint Support Office.

46. During the missions, the Ethics Office engaged with more than 1,000 individuals. It held town hall meetings, provided confidential ethics consultations with individual staff members and conducted tailored ethics briefings and presentations for specific field offices.

47. As recommended by the Advisory Committee on Administrative and Budgetary Questions and endorsed by the General Assembly in its resolution 65/247, the Ethics Office conducted mandatory ethics induction briefings for senior leaders to have a positive impact on the Organization's culture of ethics, integrity and accountability. The Director of the Office personally conducted 13 confidential ethics induction briefings with newly appointed Assistant Secretaries-General and Under-Secretaries-General, including Special Representatives and Deputy Special Representatives of the Secretary-General. The briefings addressed personal ethical responsibility, setting the "tone from the top", retaliation prevention and transparency and accountability practices.

48. In furtherance of promoting the Organization's ethical standards and values, the Ethics Office additionally provided 13 ethics briefings for incoming members of various panels of experts. Coordinated with the Department of Political Affairs, the briefings enhanced awareness of the ethical expectations of the United Nations on the part of contracted experts conducting essential work for the Organization.

49. In 2014/15, the Ethics Office, in cooperation with the Office of Human Resources Management, launched a new online ethics training course entitled "Ethics and integrity at the United Nations". The new course, which replaces the Organization's previous online ethics training entitled "Integrity awareness initiative" and its half-day training workshop entitled "Professional ethics and integrity in our daily work", is available on Inspira in English and French; and is mandatory for all staff members.

50. In accordance with the mandate of the Ethics Office to strengthen an ethical culture throughout the Organization, the purpose of "Ethics and integrity at the United Nations" is to promote ethical awareness and decision-making on the part of staff so that they are better enabled to fulfil the mission of the Organization. The

new online training course addresses typical ethical issues faced by staff and is designed to promote a common understanding of best ethical practices and standards of integrity. While the course introduces new staff to the ethical expectations of the Organization, it further serves as an invaluable refresher opportunity for existing staff who have previously received ethics training. As at 31 July 2015, the course had been completed by more than 11,000 staff members.

51. In recognition of the importance of ethics training for all United Nations personnel, "Ethics and integrity at the United Nations" has additionally been made available to other categories of Secretariat personnel, such as consultants and those on temporary appointments, on the UNKampus Portals webpage of the United Nations System Staff College (<http://portals.unssc.org/>). The webpage may also be accessed by the staff of other entities of the United Nations system and the general public.

52. The course is also being utilized as a model ethics programme by other United Nations entities updating or developing their own online ethics training courses.

53. During the reporting period, the Executive Office of the Secretary-General and the Ethics Office launched the 2014 leadership dialogue on treating one another with respect and tolerance. The leadership dialogue programme provides an annual opportunity to staff and managers at Headquarters and in field locations to engage in a one hour discussion on ethics and integrity issues. With a focus on the importance of practising respect and tolerance in the workplace, the topic in 2014 was selected in response to strong interest by staff in the topics of good management and workplace fairness. The 2014 programme cycle ended on 31 December of that year.

54. Subsequent to the successful completion of the 2014 programme, the Ethics Office developed the 2015 leadership dialogue, entitled "Fulfilling our mission: taking individual responsibility". The 2015 programme addresses the importance of personal responsibility on the part of all staff members in achieving the goals and objectives of the Organization. It will be rolled out in the second half of the year.

55. An essential element of the outreach, training and education mandate of the Ethics Office is the production and distribution of guidance materials on ethics. To strengthen global staff awareness of ethical obligations and associated standards of conduct, and noting its own capacity restraints, the Office has prioritized the development of accessible staff resource materials. During the reporting period, the Office arranged translation of its document entitled "Putting ethics to work: a guide for United Nations staff" into the six official languages. The guide provides direction to staff on the Organization's fundamental ethical values and standards that are applicable to their daily work, and is available on the Office webpages.

56. The Ethics Office document entitled "The road map: a staff member's guide to finding the right place" has additionally been updated and is being translated into the six official languages. As reported previously, the road map has received Organization-wide recognition for its value in informing staff of resources available to address their concerns. In assisting staff in identifying the relevant office for their specific issue immediately, the road map facilitates a more efficient use of staff and office time.

57. In hosting materials such as the leadership dialogue guides, the ethics guide and the road map, the Ethics Office webpage (www.un.org/en/ethics) continues to provide essential information on ethics, both to United Nations personnel and the

general public. During 2014/15, the webpage received approximately 74,000 individual visits. Also accessible on iSeek, the webpage contains comprehensive materials, links and other information relating to ethics at the United Nations.

E. Standard-setting and policy support

58. In the course of the reporting period, the Ethics Office provided significant assistance to various United Nations entities in developing policies and standards regarding staff conduct and integrity issues. Notably, the Office provided policy advice in the areas of financial disclosure, conflict of interest management and protection against retaliation. Through that support, the Office contributed to capacity-building on ethics and integrity within those entities.

59. The Ethics Office provided advice to field offices, peacekeeping missions and regional commissions regarding guidance to field staff on outside activities, the use of social media, ethics training and prevention and mitigation of conflicts of interest. Support activities included the provision of policy comments, proposed revisions to staff guidance notes and advice on vetting for conflicts of interest.

60. The Ethics Office further collaborated with other departments in the Secretariat in examining issues relating to personal and organizational conflicts of interest and provided policy advice regarding the terms and conditions of service for certain types of personnel.

IV. Ethics Panel of the United Nations

61. The Ethics Panel of the United Nations, established in December 2007 as the United Nations Ethics Committee and renamed in April 2013, is mandated to create a unified set of ethical standards and policies for the Secretariat and separately administered organs and programmes. It also consults on important and complex ethics matters having system-wide implications. The Panel is chaired by the Director of the Ethics Office.

62. The Ethics Panel is composed of the heads of the ethics offices of the funds and programmes and the Secretariat. Pursuant to Secretary-General's bulletin ST/SGB/2007/11, the Ethics Office provides ethics services to those separately administered organs and programmes that have not yet designated an ethics officer.

63. In the course of the reporting period, the Ethics Panel held 11 formal sessions. The Panel focused on establishing coherence and consistency in the application of ethics standards and reviewed lessons learned from the implementation of its core mandates. It also reviewed the annual reports prepared by member ethics offices.

64. During 2014/15, the Ethics Panel identified and deliberated on emerging ethical challenges posing individual, institutional and process risks. The Panel consulted on, inter alia, matters concerning reputational risk management, organizational and personal conflicts of interest, outside activities, the use of social media, the review of financial disclosure statements, intra-agency relationships, the parameters of confidentiality and internal justice system challenges. Such ongoing consultations contribute to the harmonized and consistent application of ethical standards across member organizations and entities.

65. Member ethics offices continued to develop and adapt core ethics training to the needs of their entities. They worked to diversify delivery methods in order to expand the benefits and impact of ethics training.

66. The Ethics Office and members of the Ethics Panel continued to participate in the activities of the Ethics Network of Multilateral Organizations. The Network was established in June 2010 in support of efforts by the Secretary-General to promote system-wide collaboration on ethics-related issues within the United Nations system. Serving as a broad forum of ethics functions from United Nations system entities, affiliated international organizations and international financial institutions, the Network provides support for professional development, benchmarking and the exchange of ethics policies and practices. Owing to the expanded participation of affiliated intergovernmental organizations and financial institutions having consultative and collaborative arrangements with the United Nations, the Network has contributed to a more extensive exchange of experiences and lessons learned in the delivery of ethics services in multilateral organizations. The seventh meeting of the Network, held in Washington, D.C., from 7 to 10 July 2015, was hosted by the Inter-American Development Bank.

67. Within the United Nations system, the Ethics Panel continues to serve an essential function as the sole mandated mechanism to promote the coherent application of ethical standards. In enhancing harmonized ethics and integrity policies and practices among member organizations, the Panel plays a vital role in fostering a United Nations identity based on integrity and accountability. By promoting an organizational culture of ethics and integrity within the international civil service, the Panel supports stronger and healthier institutions.

V. Observations and conclusions

68. Pursuant to its mandate to promote and consolidate a culture of ethics, transparency and accountability within the United Nations, the Ethics Office provides services to Secretariat staff across the Organization. Reflecting the importance of a strong ethics function, during the reporting period the Office received 980 requests for ethics services, the highest number received in its history. Highlights of the period include the Office responding to 533 confidential ethics advice requests; managing the 2014 cycle of the financial disclosure programme, which involved the review of 5,043 disclosure files; undertaking 148 outreach, training and education activities; responding to 40 inquiries concerning the Organization's protection against retaliation policy; administering the 2014 leadership dialogue initiative; and launching a new online ethics awareness training programme. The Office maintained its work to promote the coherent application and development of ethics standards, policies and initiatives among United Nations entities.

69. The efforts of the Ethics Office to engage with staff via enhanced outreach initiatives remain essential for preventing, mitigating, and managing ethical and reputational risk within the Organization. The Office's interaction with staff worldwide consistently demonstrates a strong staff demand for counselling, consultation and guidance on ethics and integrity issues. Given the importance of strengthening and consolidating an Organization-wide environment committed to

ethical conduct and institutional integrity, the Office remains committed to being as engaged as possible with all staff, regardless of location.

70. In the course of its work, the Ethics Office remains a leading advocate for the values and principles enshrined in the Charter. By engaging directly with staff and other stakeholders on those values and promoting adherence to the highest standards of efficiency, competency and integrity, the Office plays a distinctive and indispensable role within the Organization.

71. **The General Assembly is requested to take note of the present report.**

Annex

Financial disclosure programme compliance level, 2014

<i>United Nations entity</i>	<i>Required filers</i>	<i>Completed filings</i>	<i>Non-compliant(s)</i>
United Nations Secretariat			
Advisory Committee on Administrative and Budgetary Questions secretariat	2	2	—
Counter-Terrorism Committee Executive Directorate	4	4	—
Department for General Assembly and Conference Management	25	25	—
Department of Economic and Social Affairs	53	53	—
Department of Management	240	240	—
Department of Political Affairs, including special political missions	369	369	—
Department of Public Information	37	37	—
Department of Safety and Security	24	24	—
Economic and Social Commission for Asia and the Pacific	42	42	—
Economic and Social Commission for Western Asia	30	30	—
Economic Commission for Africa	111	111	—
Economic Commission for Europe	10	10	—
Economic Commission for Latin America and the Caribbean	53	53	—
Ethics Office	13	13	—
Executive Office of the Secretary-General	15	15	—
International Criminal Tribunal for Rwanda	19	19	—
International Residual Mechanism for Criminal Tribunals	16	16	—
International Tribunal for the Former Yugoslavia	34	34	—
Office for the Coordination of Humanitarian Affairs	27	27	—
Office of Administration of Justice	2	2	—
Office of Internal Oversight Services	16	16	—
Office of Legal Affairs	24	24	—
Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States	4	4	—
Office of the President of the General Assembly	2	2	—
Office of the Special Adviser on Africa	2	2	—
Office of the Special Representative of the Secretary-General for Children and Armed Conflict	1	1	—
Office of the Special Representative of the Secretary-General on Sexual Violence in Conflict	3	3	—
Office of the United Nations High Commissioner for Human Rights	21	21	—
Office of the United Nations Ombudsman and Mediation Services	2	2	—

<i>United Nations entity</i>	<i>Required filers</i>	<i>Completed filings</i>	<i>Non-compliant(s)</i>
Peacebuilding Support Office	4	4	—
Regional Commissions New York Office	1	1	—
Special Court for Sierra Leone	1	1	—
Special Tribunal for Lebanon	30	30	—
United Nations Conference on Trade and Development	26	26	—
United Nations Joint Staff Pension Fund	73	73	—
United Nations Office at Geneva	82	82	—
United Nations Office at Nairobi	47	47	—
United Nations Office at Vienna	17	17	—
United Nations Office for Disarmament Affairs	6	6	—
United Nations Office on Drugs and Crime	62	62	—
United Nations Office to the African Union	7	7	—
United Nations System Chief Executives Board for Coordination	3	3	—
Subtotal (excluding peacekeeping operations)	1 560	1 560	—
Peacekeeping operations	1 628	1 628	—
United Nations bodies/agencies and others	1 855	1 855	—
Total	5 043	5 043	—



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Item 54 of the provisional agenda*

**United Nations Relief and Works Agency for
Palestine Refugees in the Near East**

Persons displaced as a result of the June 1967 and subsequent hostilities

Report of the Secretary-General

1. In its resolution 69/87 on persons displaced as a result of the June 1967 and subsequent hostilities, the General Assembly requested the Secretary-General, after consulting the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), to report on the progress made with regard to the implementation of the resolution. The present report is submitted to the Assembly pursuant to that request.

2. On 14 May 2015, the Secretary-General addressed notes verbales to the Permanent Representatives of Member States to the United Nations, including the Permanent Representative of Israel, in which he drew attention to his reporting responsibility under resolutions 69/87 and 69/89 and requested them to inform him of any action that their Governments had taken or envisaged taking in the implementation of the relevant provisions of the resolutions.

3. In connection with paragraph 5 of General Assembly resolution 69/87, the Secretary-General has obtained from the Commissioner-General of UNRWA the information available to him on the return of refugees registered with the Agency. As indicated in previous reports on the subject, the Agency is not involved in any arrangements for the return of refugees, nor is it involved in any arrangements for the return of displaced persons who are not registered as refugees. Its information is based on requests by returning registered refugees for the transfer of their UNRWA registration records from Jordan, Lebanon or the Syrian Arab Republic to the areas to which they have returned. The Agency would not necessarily be aware of the return of any registered refugees who did not request the transfer of their registration records. So far as is known to the Agency, from 1 July 2014 to 30 June 2015, 300 refugees registered with UNRWA returned to the West Bank and 182 to the Gaza Strip from places outside the occupied Palestinian territory. It should be noted that some of those may not have been displaced in 1967, but may have been

* A/70/150.



displaced in earlier or later years or may be members of the family of a displaced registered refugee. Thus, taking into account the estimate given in paragraph 4 of the previous report (A/69/345), the number of displaced registered refugees who are known by the Agency to have returned to the occupied territories since June 1967 is about 36,110. The Agency is unable to estimate the total number of displaced inhabitants who have returned. It keeps records only of registered refugees and, as noted above, even those records, in particular with regard to the location of registered refugees, may be incomplete.

4. In connection with paragraph 3 of General Assembly resolution 69/87, the Secretary-General refers to the report of the Commissioner-General of UNRWA for the period from 1 January to 31 December 2014 (A/70/13) and to the previous reports of the Commissioner-General for accounts of the ongoing assistance provided by UNRWA to persons displaced and in need of continued assistance.



A/70/309

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**Elimination of racism, racial discrimination, xenophobia and
related forms of intolerance: comprehensive implementation of
and follow-up to the Durban Declaration and Programme of Action**

Report of the Working Group of Experts on People of African Descent

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Working Group of Experts on People of African Descent, pursuant to paragraph 8 of Assembly resolution 69/162 and paragraph 4 of Human Rights Council resolution 27/25.

* A/70/150.



Report of the Working Group of Experts on People of African Descent

Summary

The report is submitted in accordance with resolution 69/162 of the General Assembly, by which the Assembly requested the Human Rights Council, through the Chair of the Working Group of Experts on People of African Descent, to submit a report on the work of the Working Group to the Assembly, and resolution 27/25 of the Council, by which the Council requested the Working Group to submit an annual report to the Council on all activities relating to its mandate, as well as to the Assembly in the context of the International Decade for People of African Descent. The report covers activities undertaken during the period from 1 July 2014 to 30 June 2015.

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I. Introduction

1. By paragraph 8 of its resolution 69/162, the General Assembly requested the Human Rights Council, through the Chair of the Working Group of Experts on People of African Descent, to submit a report on the work of the Working Group to the Assembly. By paragraph 4 of its resolution 27/25, the Council requested the Working Group to submit an annual report to the Council on all activities relating to its mandate, as well as to the Assembly in the context of the International Decade for People of African Descent. The present report is submitted in response to those requests and covers the period from 1 July 2014 to 30 June 2015.

2. The Working Group comprises five independent experts who serve in their personal capacity. In 2014, the Human Rights Council appointed three new members. The current members are Mireille Fanon Mendes-France (Chair), Verene Shepherd, Sabelo Gumedze, Michal Balcerzak and Ricardo A. Sunga III.

II. Activities of the Working Group

A. Annual meetings

1. Fifteenth session (17-21 November 2014)

3. The fifteenth session was a closed session in which the Working Group considered internal matters, including future work, country visits and communications, and held consultations with various stakeholders, including Governments, civil society and the Office of the United Nations High Commissioner for Human Rights (OHCHR). The Working Group took a number of decisions during the session, including to undertake follow-up visits five years after a country visit. It also decided to prepare a thematic study on racial stereotyping and to explore ways to increase collaboration with the Committee on the Elimination of Racial Discrimination.

2. Sixteenth session (30 March-2 April 2015)

4. The sixteenth session was focused on development and people of African descent. The theme was selected to be in line with the theme of the International Decade for People of African Descent: "People of African descent: recognition, justice and development". The Working Group discussed how policies, actions and programmes of development were affected by structural and internalized racism, racial discrimination, Afrophobia, xenophobia and related intolerance towards people of African descent. It was underlined that measures to eliminate poverty and all forms of discrimination must be mutually reinforcing. The Working Group urged States to establish programmes, based on the participation of people of African descent and Africans, aimed at improving their economic and social conditions. It also reiterated its recommendation that special attention be devoted to the needs of people of African descent, including through the preparation of specific programmes of action, in cooperation with civil society, for the implementation of the programme of activities for the Decade. A full account of the session and the recommendations made by the Working Group on the theme is contained in its report to the Human Rights Council at its thirtieth session (A/HRC/30/56).

B. Country visits

1. Netherlands

5. The Working Group undertook a country visit to the Netherlands from 26 June to 4 July 2014. It issued a statement to the press following its visit.¹ A full account of its findings and recommendations is contained in its report submitted to the Human Rights Council at its thirtieth session (A/HRC/30/56/Add.1).

2. Sweden

6. The Working Group undertook a country visit to Sweden from 1 to 5 December 2014. It issued a statement to the press following its visit. A full account of its findings and recommendations is contained in its report submitted to the Human Rights Council at its thirtieth session (A/HRC/30/56/Add.2).

3. Italy

7. The Working Group undertook a country visit to Italy from 1 to 5 June 2015. It issued a statement to the press following its visit. It will submit a report containing its findings and recommendations to the Human Rights Council in September 2016.

4. Upcoming visits

8. The Working Group will visit the United States of America from 19 to 28 January 2016 at the invitation of the Government.

9. The Government of Israel has invited the Working Group to visit the country in 2015. The Working Group has proposed the dates of 13 to 17 December, which are under consideration by the Government.

10. The Government of Jamaica has extended an invitation for the Working Group to visit the country in 2016. The Governments of Madagascar and Mauritania have also extended such invitations.

11. The Working Group wishes to thank all the Governments that have cooperated with it and invited it to undertake country visits.

C. Communications

12. During the reporting period, the Working Group sent 12 communications, to the Dominican Republic, Italy, the Netherlands, South Africa and the United States, regarding allegations falling under its mandate.

13. The communications sent and replies received are included in the following joint communications reports by special procedures mandate holders submitted to the Human Rights Council: A/HRC/30/27, A/HRC/29/50 and A/HRC/28/85. Those periodic reports include brief summaries of allegations communicated to States or other entities, with hyperlinks to the text of the communications sent and responses received.

¹ All press statements are available from www.ohchr.org/EN/Issues/Racism/WGAfricanDescent/Pages/WGEPADIndex.aspx.

14. The Working Group also issued a number of media statements during the reporting period. On 19 June 2015, it issued a statement in which it deplored the killings of African Americans and urged that measures should be taken against racist crimes.

15. On 21 March 2015, the International Day for the Elimination of Racial Discrimination, the Working Group, the Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance and the Committee on the Elimination of Racial Discrimination issued a joint statement.

16. On 10 December 2014, on the occasion of the launch of the International Decade for People of African Descent, the Working Group and many special procedures mandate holders issued a joint statement.

17. On 5 December 2014, the Working Group issued a joint statement, with the Special Rapporteur on the rights to freedom of peaceful assembly and of association, the Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance and the Special Rapporteur on minority issues, pertaining to the cases of Eric Garner and Michael Brown in the United States.

18. On 20 November 2014, the Working Group issued a statement in which it welcomed the adoption of the programme of activities for the International Decade for People of African Descent.

D. International Decade for People of African Descent

19. The Working Group welcomes the International Decade for People of African Descent as an extremely important opportunity for attention to be focused on the promotion and protection of the rights of people of African descent. It will increase the visibility and recognition of people of African descent in deconstructing the paradigm of racial discrimination and is a sign of States' political commitment to combating racial discrimination and Afrophobia.

20. The Working Group was directly involved in the development of the theme of the Decade, as well as the programme of activities for its implementation.

1. Participation in the official launch of the Decade

21. On 10 December 2014, the Chair of the Working Group delivered a statement and participated in the official launch of the Decade at Headquarters. She and Ms. Shepherd also participated in a press conference.

2. Promotional activities

22. The Working Group continued to actively promote and participate in activities to interact with civil society and assist stakeholders in the implementation of the programme of activities for the Decade.

23. On 19 November 2014, at the seventh meeting of the United Nations network on racial discrimination and protection of minorities, the Working Group provided a briefing on the Decade, including the preparations for it, its proclamation and its launch. The Chair emphasized the importance of the Decade and encouraged the members of the network to use the Decade to accord priority to activities to promote

and protect the rights of people of African descent. It was noted that the theme of the Decade reflected some of the focus areas of the network in implementing the guidance note of the Secretary-General on racial discrimination and protection of minorities, in particular with regard to combating racial discrimination, including in relation to people of African descent. The members of the network agreed to increase collaboration between the Working Group and the network to raise awareness and ensure comprehensive and coherent United Nations action during the Decade. In follow-up to the meeting, representatives of the United Nations Development Programme, the World Health Organization and the International Labour Organization participated as panellists during the sixteenth session of the Working Group.

24. During its visits to Sweden and Italy, the Working Group actively promoted the Decade, encouraging all stakeholders to take action at the national level.

25. At the Working Group's sixteenth session, there was a panel discussion on plans for the implementation of the Decade with a focus on development. In addition, the Working Group organized a side event on 30 March to mark the beginning of the Decade as a significant moment in the fight for greater protection of the human rights of people of African descent.

26. Members of the Working Group also conducted promotional activities. In 2015, the Chair delivered statements and participated in a range of events, using the opportunities to raise awareness and call for the implementation of the Decade. The following are some highlights:

(a) On 11 February, she participated in Black History Month activities, delivering a presentation on the Decade in Paris in which she emphasized that its objective was to reverse the trend of global racism, Afrophobia, xenophobia and related intolerance against people of African descent;

(b) On 21 March, she took part in activities to mark the International Day for the Elimination of Racial Discrimination, jointly organized by non-governmental organizations and municipal and university authorities in Malmö, Sweden. The discussion focused on how to govern based on non-discrimination and equality between peoples and States in order to combat racism, racial discrimination, Afrophobia, xenophobia, islamophobia and related intolerance;

(c) On 26 March, she attended the World Social Forum, held in Tunis, delivering a seminar on the Decade in which she discussed how to build a global network based on the objectives of the Decade;

(d) From 9 to 12 April, she participated in an international summit on reparations, held in New York. Participants reviewed the issue of reparations to understand the process for obtaining political recognition of reparations and thereby make a significant political change for millions of people that would allow them to move from being victims to being actors of social transformation;

(e) From 21 to 26 April, she took part in a meeting on the Decade organized by the Ministry of Foreign Affairs of the Bolivarian Republic of Venezuela to inform Afro-Venezuelans about the Decade and mobilize them;

(f) From 19 to 22 May, she attended a meeting on the Decade held in Bogota;

(g) From 15 to 19 June, she participated in the Afromadrid conference, held in Madrid, delivering an informative statement on the Decade;

(h) From 6 to 13 July, she took part in a meeting on decolonization of power and knowledge, held at the Autonomous University of Barcelona, Spain, delivering, among other things, a critical and analytical presentation on the Decade and its objectives;

(i) On 31 July, she participated in a workshop on the theme "Law for black lives", held in New York, which was intended to build a network of lawyers.

27. In 2015, Verene Shepherd used her radio programme, *Talking History*, broadcast in Jamaica, to promote the work of the Working Group and to explain the programme of activities for the Decade. She also delivered lectures and speeches bringing visibility to the work of the Working Group, the Durban Declaration and Programme of Action and the Decade. In particular, she discussed the matter of redress for victims of the transatlantic slave trade, slavery and colonialism. In that regard:

(a) On 16 April, she delivered a speech on the theme "Black lives matter: the Caribbean and the call for reparatory justice", as part of the Walter Rodney speakers series, in Atlanta, Georgia, United States;

(b) On 23 May, she delivered the keynote address, on the theme "Backward stretch, forward reach", at a scholarship luncheon hosted by the Jamaican Women of Florida association in Miami, Florida, United States.

28. In addition, she attended the above-mentioned international summit on reparations held in New York in April, hosted by the Institute of the Black World, and hosted the Chairperson of the African Union Commission, Nkosazana Dlamini-Zuma, at the Institute for Gender and Development Studies at the University of the West Indies, who gave a presentation on cross-cutting issues affecting African women.

29. In 2014, she participated in other meetings and delivered presentations to increase support before the launch of Decade, as follows:

(a) On 11 June, she delivered the fourth annual George Lamming distinguished lecture, on the theme "Reparation, psychological rehabilitation and pedagogical strategies", at the Errol Barrow Centre for Creative Imagination, University of the West Indies, Barbados, emphasizing the issue of culturally sensitive education and history education for children, as outlined in the programme of activities for the Decade;

(b) On 9 August, she delivered the feature address, on the theme "In their name: Caribbean women, slavery and reparation", at the thirty-second annual Emancipation Day dinner, held in Trinidad. She also delivered the lecture the following day in Tobago;

(c) On 9 September, she gave the ninth annual Kenneth E. Robinson/Cyril Outerbridge Packwood memorial lecture, on the theme "Reparation, psychological rehabilitation and pedagogical strategies", in Hamilton;

(d) On 9 October, she gave the Alderman Sydney Smith memorial lecture, on the theme "Changing places: slavery, indentureship and the ranking game in colonial and post-colonial Jamaica", at the University of Hull, United Kingdom;

(e) From 12 to 14 October, she chaired a panel on academics for reparation as part of the second conference on reparations organized by the Caribbean Community, held in Antigua and Barbuda;

(f) On 28 October, she delivered the twenty-ninth annual Walter Rodney memorial lecture, on the theme "War memorials and black liberation: 'groundings' with Walter Rodney on history, heritage and activism", at the University of Warwick, United Kingdom of Great Britain and Northern Ireland;

(g) On 1 November, she gave a presentation on the theme "Challenges of a legacy: the continued struggle for rights for Africans in the twenty-first century" as part of a symposium to celebrate the work of Barry Chevannes and Rex Nettleford, former member of the Working Group, at the Institute of Jamaica in Kingston;

(h) On 14 November, she delivered a lecture on the theme "The politics of memory: historicizing Caribbean women's political activism" at the Institute for Gender and Development Studies in Barbados.

3. Submission on the Forum for People of African Descent

30. Following the call for submissions by OHCHR in anticipation of the discussion by the Human Rights Council on the mandate and modalities of the Forum for People of African Descent, the Chair, on behalf of the Working Group, submitted a paper on the Working Group's vision for the Forum.

31. On 17 April 2015, OHCHR transmitted a compilation of the submissions received to Member States for consideration during their consultations.²

E. Other activities relating to the United Nations

32. At the invitation of the President of the General Assembly, Ms. Shepherd delivered the keynote address on the occasion of the commemoration of the International Day for the Elimination of Racial Discrimination at Headquarters on 20 March 2015. The theme for the commemorative event was "Learning from historical tragedies to combat racial discrimination today".

33. She also participated in the unveiling of the permanent memorial in honour of the victims of slavery and the transatlantic slave trade, *The Ark of Return*, at Headquarters on 25 March 2015, the International Day of Remembrance of the Victims of Slavery and the Transatlantic Slave Trade.

34. On 5 March 2015, Sabelo Gumedze gave a presentation on lessons for South Africa in the elimination of racial discrimination against Africans and people of African descent during a meeting with mandate holders organized by the South African Human Rights Commission. The aim of the meeting was to contribute to shaping the Commission's strategic engagement in promoting compliance with international and regional human rights instruments. The meeting was also attended by a former United Nations High Commissioner for Human Rights, Navi Pillay.

² See www.ohchr.org/EN/Issues/Racism/InternationalDecade/Pages/InternationalDecadeAfricanDescent.aspx.

III. Conclusions

35. The present report and the range of activities in which the Working Group has been involved during the reporting period demonstrate that the Working Group has embraced the opportunity provided by its mandate to popularize the idea that the human rights, inherent dignity and fundamental freedoms of people of African descent are important and must be respected.
36. The worldwide escalation of Afrophobia, xenophobia and related intolerance continues to be a matter of concern.
37. The Working Group will use the opportunity created by the International Decade for People of African Descent to intensify efforts to raise awareness of issues pertaining to people of African descent. Education is a fundamental tool in breaking down stereotypes and cultural barriers and all members are committed to spreading the message through all means necessary in order to attain those goals.
38. The country visits undertaken by the Working Group show how structures established based on racial bias or discrimination continue to have a lasting and detrimental effect on people of African descent and Africans in the diaspora.
39. The Working Group finds that equal rights for people of African descent or Africans have yet to be attained.
40. The Working Group is convinced that the Decade should also afford an opportunity to analyse gender discrimination faced by people of African descent and will consider intersectional forms of discrimination faced by people of African descent.
41. The transatlantic slave trade, enslavement and colonialism are still to be recognized by all States as crimes against humanity. In that context, it is important and relevant that the *General History of Africa* prepared by the United Nations Educational, Scientific and Cultural Organization, in particular volume IX thereof, be popularized in all regions.
42. The Working Group is ready to participate actively in all decisions and activities concerning the Decade and to assist all stakeholders and strengthen partnerships between Governments, civil society and people of African descent themselves to implement the programme of activities for the Decade and finally ensure justice for the millions of people of African descent and Africans.
43. The Working Group fervently hopes that at its first session the Forum for People of African Descent will consider the challenges identified in the course of the Decade and proposes that the Forum focus at that session on justice.
44. The Working Group recognizes that, without the essential contribution of civil society and non-governmental organizations, efforts to combat racism, racial discrimination, xenophobia, Afrophobia, Islamophobia and related intolerance remain invisible. The link between their work, States' work and the work of various United Nations mechanisms must be strengthened and made visible by equitable partnerships and developed jointly.



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**Promotion and protection of human rights: human rights
questions, including alternative approaches for improving the
effective enjoyment of human rights and fundamental freedoms**

Report of the Special Rapporteur on the human rights of migrants, Mr. François Crépeau

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Special Rapporteur on the human rights of migrants, Mr. François Crépeau, in accordance with General Assembly resolution 67/172 and Human Rights Council resolution 17/12.

* A/70/150.



Summary

The present report outlines the main activities undertaken by the Special Rapporteur on the human rights of migrants during the reporting period since his last report to the General Assembly.

The thematic section of the report discusses the impact of recruitment practices on the human rights of migrants, particularly low-wage workers, during labour migration. It articulates concern about the apparent growing prevalence of severe exploitation and abuse suffered by migrants at the hands of unethical recruiters, intermediaries and subagents in both countries of origin and destination. It recommends a comprehensive and human rights-based framework to achieving wholesale transition towards an ethical system of recruitment.

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I. Introduction and summary of recent activities

1. The present report is submitted pursuant to Human Rights Council resolution 17/12. It briefly outlines the activities of the Special Rapporteur on the human rights of migrants between 1 August 2014 and 31 July 2015. The thematic section of the report is dedicated to recruitment practices among migrant workers.

A. Participation in consultations and conferences

2. In November 2014, the Special Rapporteur organized an international consultation on recruitment practices and migrant workers. This consultation convened experts from civil society organizations, the International Labour Organization (ILO), the International Organization on Migration (IOM), Governments, including chairs of the Colombo and Puebla regional consultative dialogues, as well as from academic and legal institutions. A full list of participants is available in the annex found on the Special Rapporteur's website. The Special Rapporteur expresses his gratitude for those who attended. The output from this consultation, alongside the findings of the country visits of the Special Rapporteur, his related thematic work, and research undertaken using a number of analytical reports have informed the present report.

3. The Special Rapporteur contributed to a number of international and regional dialogues and conferences, including the European Union Fundamental Rights Agency's annual conference themed on migrants' rights, the Global Forum on Migration and Development and the UNHCR dialogue on protection at sea of the Office of the United Nations Human Rights Commissioner for Refugees.

B. Country visits

4. The Special Rapporteur conducted a visit to Italy from 2 to 6 December 2014. He found that, despite a challenging economic and political climate, Italy has taken bold initiatives to address the unprecedented number of migrants and asylum seekers arriving by boat.

5. The Special Rapporteur subsequently visited Malta from 6 to 10 December 2014. Following this visit, he described how Malta must expect continued growth in the unprecedented number of migrants and asylum seekers arriving by boat and develop programmes to cope.

C. European Union follow-up

6. These visits were complemented by a visit to the European Union in Brussels, as part of a follow-up to the Special Rapporteur's 2012 year-long study on the management of the external borders of the European Union. The Special Rapporteur reported the key findings in his follow-up report on European Union border management (A/HRC/29/36) to the Human Rights Council in June.

II. Recruitment practices and the human rights of migrants

A. Introduction

7. The Special Rapporteur on the human rights of migrants has paid particular attention to recruitment practices as one of the key areas of work for his mandate. This hugely complex and challenging issue is gaining prominence within debates relating to the human rights of migrants. The Special Rapporteur is concerned about the apparent growing prevalence of severe exploitation and abuse suffered by migrants at the hands of recruiters and subagents in countries of origin and destination.

B. Trends relating to recruitment practices and the human rights of migrant workers

8. Some 232 million international migrants are living in the world today.¹ Official estimates of the number of workers among these migrants are lacking. However, there is broad consensus that it is significant. An estimated 74 per cent of migrants living abroad are of working age.¹ Most migrant workers originate from developing countries, with 59 per cent settling in developed regions, where they make up about 11 per cent of the population. Currently, however, there is a rise in South-South migration, in particular in Asia, which has witnessed an increase of 41 per cent in the number of migrants living in the region.¹ Asia and Europe are the two main regions hosting international migrants.

9. Contemporary international labour migration is driven by many factors. Globalization and neoliberal economic policies that promote deregulation of labour markets, has played a large role. Poverty, discrimination, violence, conflict, political upheaval and poor governance are also key push factors that influence migrants' decisions to seek work abroad.

10. Precarious migration routes, the use of which has grown exponentially within the last few years, tend to be mixed migration channels with migrants seeking to improve their economic and social situation, choosing to take significant risks to try to improve their lives and those of their families. There is also not always a neat delineation between economic migrants and asylum seekers. Many asylum seekers also seek economic opportunities and can become vulnerable to labour market-related human rights abuses. Migrants who may not meet asylum criteria often leave their countries of origin in a position of precariousness because of extremely difficult economic and environmental factors. In that sense, both asylum seekers and such economic migrants are "survival migrants", experiencing migration as the only way out of dire straits.

11. Labour migration and related recruitment practices can take many different forms, depending upon the skill level and countries of origin and destination of migrants. The focus of the present report is specifically on practices of exploitation and abuse experienced by low- to medium-wage workers migrating from the Global South. Despite recent decreases in some forms of labour migration owing to the economic downturn, the use of low- and/or medium-wage workers on precarious,

¹ Report of the Special Rapporteur on migration, "World Migration in Figures" (A/69/302).

short-term contracts has significantly increased. The unethical recruitment referred to throughout the report refers to recruitment practices that do not respect the human rights of migrants.

12. Much of this type of migration is organized by intermediaries, known as recruitment agents or agencies that in some cases are legally mandated. These intermediaries can be a legitimate form of support within the migration process but all too often they ruthlessly exploit and abuse the migrants' precarious situation. The issue of exploitation of migrant workers by recruitment intermediaries is apparent in many regions around the world. Key sectors in which, facilitated by private recruiters, low-wage migrants' work include: agriculture, construction, service industry, hospitality, tourism, factory work in textiles and garments, food processing and packaging, fisheries, extraction, and domestic work.

13. There are weaknesses in data collection systems relating to labour migration, and a tendency of unethical recruitment practices to take place in an underground, opaque and covert way. Therefore, gaining a systemic picture of migration patterns is challenging. Available data suggests that the use of and number of recruitment agencies is growing, as is the related abuse of human rights and suffering among migrants.

C. Recruitment intermediaries and human rights

1. The role of recruiters in the migration process

14. Broadly, recruitment agencies are a form of migration intermediary who profit from brokering contracts between those willing to leave their country of origin to better their economic situation and employers in countries of destination that need workers. Recruitment agencies can play a legitimate role in migration processes, when they are appropriately regulated and fees associated with recruitment are charged to the employers. While there are examples of ethical recruiters who place the rights of migrants at the centre of their business model, this is sadly not the norm. References to recruiters and subagents throughout the report are to those unscrupulous recruiters who do not consider the rights of migrants. The current recruitment system facilitating labour migration of low wage migrants is governed by a narrow and short-term conceptualization of self-interest, which exploits the commitment of migrants to better their economic situation and that of their families.

15. The intermediation landscape is complex owing to the large number of actors involved. There are many recruitment agents operating, with or without proper registration, in addition to which there are multiple levels of subagents, to whom work is passed by the main agents. Such subagents commonly have the role of finding migrant labourers in countries of origin, particularly outside of urban centres, and often work through informal networks of previous migrants and their friends and family. Subagents, who typically work on commission, then refer migrants to recruiters but can continue to play an ongoing role as intermediaries. The ongoing responsibilities of subagents can include lodging passport applications; helping the clients to undertake any medical tests; and dealing with the recruiting agency in order to obtain visas. In some cases, the subagents also accompany their clients to the airport and help them with all necessary departure formalities.

16. The relationship between recruitment practices amongst agencies and subagents and the immigration status of migrants is complex. Recruiters do facilitate regular opportunities, whereby migrants arrive in countries of destination with a legitimate visa. However, there are some cases where agents have also been reported to create fake documents to facilitate entry into destination countries, thus leaving migrants in an irregular situation when they arrive. Migrants can also find themselves in a situation of immigration irregularity if they overstay their visas or lose employment that is a condition of their visa.

17. The role of recruiters and subagents does not end when migrants reach countries of destination. They can continue to play an ongoing role in the experiences of migrants through, for example, arranging housing and/or acting as landlords, collecting ongoing payments for recruitment fees or debt incurred by migrants during recruitment, and renewing work permit for migrants, often for further fees. Migrants may also need to deploy the services of recruiters in countries of destination, as they often experience low job security. Migrants' visas are often tied to their employment, leaving them vulnerable to pay additional recruitment fees to recruiters if they lose their job when in the country of destination. Migrants can therefore become caught in a vicious cycle where they have to redeploy and pay for the services of recruiters to ensure continued employment.

2. Recruitment practices and human rights

18. The practices of unethical recruiters and their subagents sit on a complex spectrum of human rights violations. Such recruiters commonly exploit migrants, directly or indirectly, at every stage of the migratory process. Additionally, some unethical recruiters also can perpetrate and/or facilitate a range of broader human rights abuses with impunity. The patterns of these violations differ between recruiters, countries and different groups of migrants and are not fully understood due to a lack of coherent and disaggregated data. Significant suffering, however, unites the experience of many low-wage migrants who utilize the services of unethical recruiters.

19. As discussed below, economic exploitation of migrants can include charging large fees for recruitment services, which can force migrants into situations of effective debt bondage and forced labour; changing the terms of employment agreed in countries of origin; and facilitating employment in exploitative labour conditions. Recruitment is the first stage of the migration process. The already precarious situation of the migrant is aggravated by unethical recruitment practices of unscrupulous recruiters who focus on profit maximization at any cost. This contributes to millions of individuals being highly vulnerable to other multiple and severe abuses of their rights, including: trafficking; violence, including sexual violence, particularly directed towards women; restrictions of freedom of movement; racism and xenophobia; and denial of the right to remedy for violations.

Severe economic exploitation

20. Economic exploitation begins as migrants decide to leave their home country and migrate to countries where there are possible economic opportunities. Unscrupulous recruiters charge large fees for facilitating work opportunities for

migrants that can amount to up to \$15,000.² These fees are often for poorly paid economic opportunities; jobs that are dramatically different from those agreed by the migrants at home; and in some cases non-existent roles.

21. Responsible recruitment agencies charge fees for their services not to the workers but to the employer, in a business-to-business transaction. Migrants often seek work abroad because of their desire to overcome poverty and a lack of decent work opportunities in countries of origin. The decision to migrate can often be driven by extremely difficult economic circumstances and/or a shock, such as loss of land and/or employment, debt reaching unsustainable levels, family breakdown, the loss of a spouse, and/or family illness. Research undertaken by the ILO suggests that women sometimes have a less favourable socio-economic status and discrimination in countries of origin, meaning they therefore enter the migration process in the most precarious positions.

22. Given the precariousness of the migrants' position when beginning the migration process, they often do not have spare resources to pay recruitments fees, which can amount to more than two years' worth of wages. They therefore are forced to take out high compound interest loans (with rates reported to range between 5% and 80%)² to pay these recruitment fees. Migrants may sign over the deeds of their property to secure these loans. As these fees and the commonly resulting debt further increase the precariousness of the migrants' situation, they can lead to migrants becoming trapped in situations of bondage and forced labour. Debts can also severely restrict the ability of the migrants to save wages and/or provide remittances to family members in countries of origin, thus undermining the benefits of migration.

23. Unfortunately, the economic exploitation of migrants is not limited to paying recruitment fees. There are reports of agents facilitating severe mistreatment of migrants within the labour market in countries of destination. It is not uncommon for migrants to have no control over the countries that they go to, let alone the specific sector or employer. Contract substitution, whereby migrants arrive in countries of origin and are faced with jobs and working conditions dramatically different from those agreed upon in the country of origin, is also commonplace. Additionally, migrants have reported non-payment of wages, unspecified deductions from wages, and irregular wage patterns. Working conditions can also often be dangerous and dehumanising for migrants. Recruitment agents and subagents can also continue to play an exploitative and abusive role towards migrants in countries of destination, as discussed above.

24. The working conditions of low wage migrant workers have been exemplified by a number of the Special Rapporteur's country visit reports and his report on labour exploitation to the Human Rights Council. The report following the Special Rapporteur's visit to Qatar in 2013, highlighted: the lack of a minimum wage within national legislation; the frequent non-payment of wages or irregular wage patterns; migrant workers living in overcrowded and materially challenging conditions; a lack of access to health-care services owing to the failure of employers to issue identity cards; concerning levels of workplace accidents and deaths; and migrants being forced to remain with employers, despite abuse, because of their refusal to legally release them under the kafala system.

² Institute for Human Rights and Business (K. Jones), 2013, "Fees and IDs: Tackling recruitment fees and confiscation of workers' passports", London, IHRB.

25. During his 2012 visits to Italy, the Special Rapporteur learned that the wages received by migrant workers, often employed within the agricultural sector, were often not sufficient to maintain an adequate standard of living. Reports suggested migrants were being paid €20 or less for 10 hours of difficult manual work. Complete impunity appeared to surround the situation of these workers, who were being exploited by landlords and employers to benefit the Italian economy.

3. Broader human rights violations

26. Unfortunately, the abuses of migrants' rights go far beyond the significant economic exploitation that is commonly experienced. Unethical recruitment practices can facilitate a broad spectrum of interrelated and mutually reinforcing human rights abuses.

27. It is common for migrants recruited from abroad to have severe restrictions placed on their freedom of movement in countries of destination. Exploitative employers, facilitated by recruitment intermediaries, will often restrict the ability of migrants to switch employers and/or leave the country to return home, increasing their dependence and willingness to complete tasks in poor conditions for low wages.

28. Violence and intimidation are also perpetrated against migrants by both unscrupulous recruiters and employers. Such violence can be used as a method of control over migrants who challenge their treatment during the migration process, in the workplace in countries of destination, and in pre-departure training centres and accommodation. It has been reported that supervisors within companies or domestic households employing migrants, will exert violence if migrants do not perform their work functions as expected. Sexual harassment and sexual violence are particular risks faced by female migrants working in different sectors. Private agencies recruit many female migrants to work within domestic households, which operate outside the formal economy and in many countries are excluded from labour law protections. Female migrant workers are therefore left in an extremely precarious situation, working behind closed doors, heavily dependent upon their employer, and without any formal protection mechanism. Female migrant workers in such situations have reported incidences of violence, including sexual violence.

29. The precariousness of the situation of migrant workers can additionally lead to abuses of their economic, social and cultural rights. Housing can often lead to various human rights issues. In cases where employers offer housing, this can be used as an opportunity for further exploitation, as migrants are easier to control than local labour. In other cases, exploitative employers in countries of destination provide housing but this can be used to further control and exploit migrants, as it makes them readily available to perform work. In other cases, migrants can be left to finance their living and food costs independently. The need to minimize costs can lead migrants to live in extremely poor housing conditions, with many living in accommodation lacking basic infrastructure and services, including sanitation, electricity and potable water. Recruiters and subagents can also play a role in arranging and charging for housing, which can further increase their control over and exploitation of migrants. Access to other forms of social protection can also be problematic for migrants. Some migrants have access to healthcare provided through their employment, but this is highly variable, leaving many highly vulnerable if they experience problems with their health.

30. Migrant workers in already precarious situations can find themselves further socially isolated and vulnerable because of racism and xenophobia towards them in destination countries. Migrant workers commonly make huge sacrifices to seek work abroad and bring benefits to countries of both origin and destination. In destination countries, migrants meet the demand for cheap labour in sectors that often cannot attract nationals for the same pay and conditions, increase demand for goods and services, and pay taxes. However, these benefits are rarely acknowledged within public discourses about migrant workers that conceptualize migrants as short-term workers and often legitimize racist and xenophobic attitudes from employers and citizens. These attitudes can lead to incidences of racism and xenophobia towards migrant workers, in both the workplace and broader society within countries of destination.

31. Systemic barriers to access to justice can compound abuses of migrants' rights. A number of human rights standards, including the International Covenant on Civil and Political Rights, International Covenant on Economic Social and Cultural Rights, and the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, recognize that everyone has the right to an effective remedy from the competent national tribunals for acts violating the fundamental rights granted to him or her. Despite these international protections, many migrants face serious barriers to accessing remedies when they are exploited and abused within and as a result of the recruitment process. These barriers include: lack of local language skills; limited knowledge about rights and means of remedy; geographical constraints; restrictions of migrants' freedom of movement; fear among migrants of retaliation or economic losses if they make complaints against recruiters; long processing times for complaints; a general practice of recruiters of deliberately avoiding giving migrants documents that could prove payment of fees; fragmentation of different rights across various judicial and non-judicial mechanisms; the growth of non-judicial remedies; and a lack of legal aid.

32. Countries of origin can add to their nationals' difficulties as missions may show reluctance to support their pursuing judicial remedies, so as not to impact their competitiveness on the international labour recruitment market.

III. The political economy of international labour recruitment

33. Abuses of migrant workers' rights cannot be viewed as isolated incidences that take place in a vacuum. The political economy related to international labour recruitment is complex and it is essential to understand the relationship between systemic economic factors and labour recruitment to be able to develop a process that better protects the rights of migrants.

A. Unethical recruitment and development impact

34. Widespread unethical recruitment practices have a significant impact on the systemic development benefits of labour migration. As recognized within the post-2015 sustainable development framework, the developmental impact of labour migration is huge. In 2013, migrants sent approximately \$404 billion in remittances

back home.³ Research shows that labour migration of low-wage workers can bring the biggest gains in poverty.

35. Unscrupulous recruiters take significant resources away from migrants, through the charging of recruitment fees and broader economic exploitation, thus effectively disempowering the poorest within the global economic system. It is not uncommon for these fees to fund corrupt business practices among unethical recruitment agencies. Reports have suggested that unethical recruiters have used money gained from recruitment fees on illegal activities such as prostitution, drugs and the funding of the electoral campaigns of specific political parties. Therefore, the resources that are being diverted away from migrants and global poverty eradication, is being channelled into illicit activities.

36. The development impact of labour migration is not limited to remittances. It also has the potential to support sustainable development through upskilling workers who are able to make additional contributions to their home countries upon return. As well as exploiting and abusing migrants, unethical recruitment is also often ineffective in placing workers in roles that suit their skills and needs, as it is based on a model of narrow and short-term profit maximization. There are reports of recruiters placing people medically unfit into roles; using underage workers; and matching people to positions at odds with their skills. If specific labour needs are not met with appropriately skilled workers, the development impact achieved through upskilling migrants is limited.

B. The economic inefficiency of the current recruitment model

37. Recruitment is the beginning of the entire migration cycle. Matching the right workers with specific labour needs is vital to the efficient and equitable functioning of both the migration process and labour markets in countries of destination. If migrant workers are unsuitable for the roles where they are placed, then the recruitment and migration process often must start again and/or migrants are forced to try to complete tasks for which they are either fundamentally not suited or adequately trained. When this myopic approach to profit maximization is replicated on a large scale, it creates significant inefficiency within migration processes, businesses and supply chains, as well as the overall economy of destination countries. Considering the number of migrant workers employed in certain countries, the loss of productivity due to the mismatching of labour skills and needs can be enormous over the long term.

38. When migrants pay recruitment fees, the economic incentive for recruiters to invest time and energy in the proper placement of migrant workers is limited. The profit of recruiters is not dependent upon the successful matching of skills and needs, as their business model is based on increasing the number of migrants placed. If a work placement breaks down, recruiters can actually benefit further, as migrants may be compelled to sign a new contract for their services or new migrant workers may be needed, thus churning more benefits for the whole recruitment chain (agents, managers, people selling sponsorship or access to visas, for example). This ensures a vested interest by these key stakeholders in maintaining the current unethical arrangements.

³ A/69/302.

C. Economic adaptation to abuse and exploitation

39. As the economic exploitation and human rights abuse of migrant workers become entrenched, the suffering of migrants is becoming integrated into the economics of globalization in a number of ways. First, if prices of goods and/or services are dependent upon a supply of cheap labour, then there is a strong price incentive to continue the exploitation and abuse of migrants. Ethical recruiters struggle to compete within a system that has adapted to wholesale and systematic suffering; a vicious cycle of exploitation continues.

40. Secondly, the systematic use of exploitative labour and the related human suffering are also becoming part of our conceptualization of economic development. As countries accelerate their gross domestic product growth and build their infrastructure based on cheap labour, international migration of low-wage workers can be embraced as a force for development without the due attention on the human rights of migrants themselves. This can be seen, for example, with how temporary migration schemes are frequently discussed in international forums, such as the Global Forum on Migration and Development, as positive examples of flexible labour supply responding quickly to economic demands, despite numerous examples of very negative consequences in terms of human rights owing to the structural precariousness created by such temporary migration mechanisms.

41. Destination States accept and therefore become complicit in this economic normalization of exploitation and abuse of migrant workers because of a desire to remain globally competitive. Many examples of barriers to access justice for migrant workers can be given: ineffective labour inspection (in one country visited by the Special Rapporteur, labour inspectors never met with the migrant workers themselves), lack of legal and administrative information, absence or even prohibition of unionization, lack of competent legal representation, lack of legal aid, and the fragmentation of remedies across different parts of the legal system (including private dispute resolution mechanisms), to name a few.

42. States of origin can also fail to negotiate adequate protections for their nationals because of power imbalances between countries. Examples have been reported of States of origin which requested better treatment for their nationals only to see the number of their citizens being accepted as migrant workers drop: host States will play one country against another in order to obtain the least constraining labour conditions possible. States of origin may also prefer not to request better conditions for their nationals in order to avoid threatening the flow of remittances and the upskilling of workers which both contribute to their development.

43. Migrants themselves make a realist assessment of the options offered to them and factor the recruitment system into their migration project, thus accepting the negative incentives and barriers it creates and further embedding the normalization of exploitation and suffering. Their choices are limited, as their immediate objective is sending money home to repay the debt and put bread on the family table. They perceive recruitment fees as a necessary cost of their migration project since they are legal and/or systematic in many countries and thus strongly normalized. Moreover, considering their precarious status that can often be terminated without notice by the employer, migrants' favourite strategy in the face of adversity is to "move on" and accept losses, with the hope of gaining in the next phase. Temporary migrant workers usually do not protest, contest or mobilize to challenge the

exploitation they suffer, as they fear retaliation from recruitment agents and employers: they cannot afford being fired and sent back home or being barred from future work abroad, as this would mark the end of the migration project in which so much has already been invested.

44. Moreover, the redress mechanisms that exist in labour law systems are most often complaint-based: the onus is on the migrant herself to bring forward a complaint about her exploitation. If migrants do not complain, little can be done to provide effective redress.

IV. Shifting the bottom line: wholesale transition to an ethical system

45. These economic dynamics and the perverse incentives they create make wholesale transition to an ethical system vital. If transition to more ethical recruitment practices is voluntary and/or piecemeal, the companies least responsive to change will gain a competitive advantage by being able to maintain prices that are based upon the suffering of migrants.

46. While the impossibility of rewriting international labour recruitment practices overnight is acknowledged, Governments can achieve wholesale change through approaching the problem from a systemic and holistic perspective, and integrating the perspectives of migrants, private sector organizations and civil society into the development of a range of legal and policy interventions. The issue of international recruitment practices and the impact on the human rights of migrants is gaining increased attention within international debates about human rights, migration and sustainable and equitable development. Governments, businesses and civil society organizations are becoming more sensitized to the complex issues and there are examples of good practices in relation to government laws and policies, regional cooperation, and private companies, as discussed in the **annex available on the Special Rapporteur's website**. It is vital to build upon these elements of progress, in order to nurture, within the political class, the moral compass and the political courage necessary to transform the treatment of migrants during recruitment.

47. Creating this wholesale shift cannot be achieved by tackling separate elements of the problem, or working exclusively with limited stakeholders groups. It requires a comprehensive range of initiatives that tackle the root causes and structural elements of current practices over the short, medium and long term. It must include the perspectives of all stakeholders: migrants, civil society, private sector, governments, and international organizations.

48. Transition to an ethical system should be based upon the United Nations Guiding Principles on Business and Human Rights and the wealth of human rights instruments, labour standards and soft law norms.

49. The key elements of such a transition are discussed below, including relevant current examples of good practices that should be built upon, and followed by detailed recommendations for States Members of the United Nations, international organizations and private sector organizations.

A. Effectively banning recruitment fees

50. A key element of transitioning to an ethical system is an outright ban on any recruitment fees being charged to migrants. Recruitment fees are a business-to-business charge and it is unacceptable to pass such costs to often vulnerable migrants who have to take out loans to pay these fees.

51. There is currently, in many countries, a complex, confusing and ineffective system of tiered fees, whereby, under the law, recruiters may charge different fees to different migrants depending upon the wage level of the opportunity offered. These limitations on fees are not effectively enforced with migrants often being charged more and/or deceived about the terms and conditions. Legislation to try to limit the fees also inappropriately legitimizes the concept of charging recruitment fees to migrants. Outright bans on recruitment fees avoid complexity and confusion, and contribute to the cultural shift needed to stop migrants accepting fees as an inevitable cost of labour migration. Countries acting collectively as regional or international blocs should totally ban recruitment fees at the same time, so as to ensure that concerns about international competitiveness do not impact wholesale transition to an ethical system.

52. As legislators and regulators, Governments have a key role to play in the effective banning of all recruitment fees among migrant workers. They should ban fees in law and ensure that effective monitoring and regulation processes are in place to effectively implement the policy of "no recruitment fees". Nepal's zero-cost migration policy is an example of a Government taking a stand against current recruitment practices. From summer 2015, they will no longer approve migrant workers working in countries where employers will not pay their visa and airfare fees. The Ministry of Labour and Employment recently asked Nepal's embassies in Malaysia and six Gulf countries (Saudi Arabia, Qatar, Kuwait, United Arab Emirates, Bahrain and Oman) to stop attesting applications submitted by employment companies demanding Nepali migrant workers unless they were willing to pay their ticket and visa fees.

53. Additionally, businesses can support a transition to a total ban on recruitment fees. Increased media coverage of supply chain issues and labour market abuses, pressure from trade unions, and activism within civil society now join to make companies more aware of the reputational and legal risks associated with exploitative labour practices. Institutional investors are also increasingly using a range of ethical practices including labour supply, when screening company risk with a view to both reputational and operational efficiency. There are a number of actions that businesses can take to mitigate these risks and support wholesale transition to an ethical system, including conducting thorough audits of their supply chains to ensure that their contractors and subcontractors do not work with recruiters who charge migrant workers fees. This should include a commitment to ensuring no recruitment fees are paid by migrant workers within high-level policy commitments, refunding any fees paid by migrants, and collaborating with other business stakeholders to mobilize resources to protect workers.

54. Examples of current good practice in relation to business practice and the banning of recruitment fees include:

- Ethical recruiters, such as FSI International, never charge recruitment fees to migrants

- The International Confederation of Private Employment Agencies is an association of recruiters committed to promoting international fair recruitment practices. It participates in several projects to promote ethical recruitment practices and crucially has a code of conduct that members must uphold, which includes a principle that recruitment services should be free of charge to job seekers
- The Global Business Coalition Against Human Trafficking was established in 2011 by business leaders “to mobilize the power, resources and thought leadership of the business community to end human trafficking, including all forms of forced labour and sex trafficking”
- Some large multinational companies at the top of the supply chain, make efforts to detect illegal recruitment fees and repay them to migrant workers
- Some companies include a substantial focus on migrant workers’ rights within their internal policies. For example, a large beverage company has publically committed to a policy of migrant workers not paying recruitment, placement or transportation fees, including those in the country of origin⁴
- The global civil society Open Working Group brings together a range of resources on migrant workers and recruitment and makes no fees a key priority for advocacy.

B. Effective regulation and oversight

55. Effective regulation and monitoring of recruiters is necessary to effectively implement a ban on recruitment fees and to remove the impunity with which unethical recruiters exploit and abuse migrant workers. Monitoring and oversight needs to be multidimensional to address the complex dynamics and different elements of labour recruitment. Effective licensing of recruiters in countries of origin and destination is essential, as is developing a reliable rating system for recruiters that assess their business practices in relation to human rights and labour standards. Creating appropriate independent licensing and monitoring bodies that can work with one another across national borders and equalize regulatory standards is essential.

56. Monitoring and oversight needs to extend to the treatment of migrant workers in the labour markets of destination countries. Effective labour inspection is vital to providing these protections. Labour inspectors should undertake thorough and regular unannounced inspections in all worksites, including private homes in the case of domestic workers, and ensure effective enforcement of labour laws in favour of all workers whatever their immigration status, including through regularly speaking directly with migrant workers (using competent and independent interpreters when necessary) and reviewing their contracts, making sure that they are allowed to keep their passports, are issued with identity documents, are paid all that they are due on time, and benefit from proper housing conditions.

57. Examples of independent monitoring mechanisms capable of identifying abuse and exploitation, such as systemic value-chain auditing and other investigative systems by competent independent bodies (such as auditing firms), including

⁴ See footnote 2.

through systems based on complaints from unions, national human rights institutions, ombudspersons or civil society organizations, have been discussed but rarely put in place effectively: more work is needed.

58. States should also ensure that their judicial system is able to tackle labour exploitation issues in a competent and timely manner: as well as providing access to justice for individual migrants; strengthening the role of the judiciary helps to build respect for the overall rule of law in relation to labour recruitment.

59. Part of this monitoring and oversight is investment in effective data collection systems. An important step in a transition to an ethical system would be to include the gathering of disaggregated information about recruitment practices as an integral part of the development of metrics associated with the post-2015 sustainable development goals agenda.

C. Filling gaps in the legal and policy framework

60. Above and beyond banning fees, the development and harmonization of the legal and policy frameworks relating to recruitment is needed to transition to a wholly ethical system. Reform should include the ratification and full implementation of all international human rights instruments, including the two 1966 International Covenants on Human Rights and the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, as well as relevant labour standards, including the 1997 ILO Convention on Private Employment Agencies (no. 181), and soft law principles such as the Dhaka Principles. All of these standards apply to all migrants irrespective of their legal status and also include duties for States to protect individuals from third-party violations of their human rights.

61. Reform should include the abolition of sponsorship systems, the standardization of contracts for migrant workers and the legal requirement for recruitment agencies to formally establish relationships with subcontractors.

62. A key step in the development of the policy framework needed to implement legal reform would be the preparation of multi-stakeholder action plans. The development of country level and regional action plans on efforts to tackle exploitative and abusive recruitment practices could bring together the views of civil society organizations, Governments, the private sector, migrants, international organizations, and regional dialogues, in order to articulate a clear vision for an exclusively ethical system. Given the hugely complex nature of recruitment for international labour migration, such actions plans could play a vital role in improving policy coherence across the system.

D. International and regional cooperation

63. International and regional cooperation is essential to transition to an ethical system as the playing field must be levelled in order to make progress. No one country will be able to end exploitative and abusive recruitment independently. In addition, as discussed above, the dynamics of the international political economy relating to recruitment practices make collective action vital. Sharing intelligence about unscrupulous recruiters among different countries in a systematic way which

can be fed back to the national regulation and licensing system, developing bilateral migration agreements grounded in human rights norms, and considering action on recruitment fees to level the playing field are all ways that international and regional cooperation can be used to enact wholesale change towards an ethical system.

64. The regional consultative processes are an example of regional and international cooperation that should be used to further protect the human rights of migrants, as shown by the Colombo Process, which has been advocating a standardized labour contract. These regional forums bring together representatives of States, international organizations and, in some cases, non-governmental organizations for informal and non-binding dialogue and information exchange on migration-related issues of common interest and concern. There has recently been work to extend dialogue between different consultative processes to facilitate more cooperation between countries of origin and destination.

E. Empowering migrants

65. Migrants themselves are resourceful agents within the migration process. Through their vast collective numbers, they have the potential to be a powerful asset in the transition to an ethical system. Empowering migrants through information and support can harness this potential and resourcefulness to drive progress towards a system of fair and ethical recruitment. Migrants must understand their rights, and be empowered to make decisions about recruiters based upon robust intelligence about different actors in the market. Information needs to be readily available, in languages that migrants can understand, at every stage of the migration and recruitment process.

66. There are a number of good-practice examples in relation to information sharing among migrant workers, including:

- The International Recruitment Integrity System, an international voluntary “ethical recruitment” framework facilitated by the International Organization for Migration, will allow migrants to access recruiters who have been voluntarily accredited according to ethical recruitment standards and to share information about unscrupulous recruiters
- Contratados.org is a ratings site, which allows migrants to review recruiters and employers and share experiences of labour recruitment. It currently focuses on low-wage workers from Mexico to the United States of America but there are plans to expand it.

F. Integration of migrants in countries of destination

67. Recognizing migrants as rights holders, acknowledging the benefits that they bring to destination countries and facilitating their integration into society is key to instituting a system of fair recruitment for international labour migration. Failing to recognize the huge value of migrant workers and to support their integration legitimizes abuse and exploitation.

68. There are a number of different ways that destination countries can support the integration of migrants into society. Facilitating access to justice, without fear of

detection, detention or deportation, in order to help migrants fight for their rights, would go a long way towards legitimizing human-rights-based migration policies, by showing that territorial sovereignty and human rights are not incompatible. Ensuring that migrants can access basic social protection services irrespective of their migration status would significantly reduce the precariousness of the migrant situation. Tackling racism and xenophobia through fact-based analyses is another important step towards the integration of migrants in countries of destination. Additionally, offering access to permanent residency and citizenship would not only have a practical impact of increasing the migrants' sense of belonging and security in the country of destination, but would also be a powerful symbolic gesture recognizing the role and value of migrant workers in the development of the country of destination.

69. Such measures should be integrated through a comprehensive public discourse in which politicians recognize mobility and diversity as central elements of contemporary democratic societies, thus providing moral, intellectual and political leadership on such complex issues.

G. Engaging with the private sector

70. The private sector is a key actor in relation to the recruitment practices impacting the human rights of migrants. Recruiters are private entities, as are the companies to which they supply labour. The practices related to recruitment of migrant workers also impact businesses that may not directly contract migrant workers, depending upon the reach and management of their supply chain.

71. There is a strong business case for transition to an ethical system, including the reduction in reputational and legal risk, and greater efficiency and productivity gains within business operations and the extended supply chain. Governments, international organizations and business associations must use this business case alongside key international legal and policy standards to engage with and sensitize the private sector to the key issues and the steps needed to achieve wholesale transition to an ethical system.

72. An example of good practice in relation to engaging with the private sector is the International Recruitment Integrity System, the ethical recruitment framework discussed above: it provides information to migrants; it is a platform for dialogue between stakeholders from across the private and public sectors; and it allows recruiters to commit to not charging any recruitment fees, not confiscating passports from migrants, and ensuring transparency within the labour supply chain.

V. Conclusions and recommendations

73. **The business practices of unethical recruitment agencies are complex and opaque. These practices and the human rights consequences for migrants differ between countries, recruiters and sectors. However, economic exploitation, violence and intimidation unite the experiences of many migrant workers who have used unethical recruiters. It is clear that this human suffering is endemic and perpetuated by a range of systemic failures and perverse economic and political incentives.**

74. A complex network of actors is involved in the current system of recruitment for low-wage economic migrants, including: many different components of the State architecture in countries of origin and destination, recruiters themselves, subcontractors of recruiters, employers, direct contractors of employers that use migrant workers, parent companies and other business entities further up the supply chain, domestic households, trade unions, business associations, civil society organizations, workers themselves, friends and families of migrants, and regional and international organizations. The complexity of the network of all those involved, and the opaque and underground way in which unethical recruitment takes place, makes it difficult to fully understand the system and to develop clear accountability for the rights of migrants.

75. While wholesale transition to an ethical system is undoubtedly challenging, it is not beyond the moral agency of Governments to facilitate such a change. Businesses do not operate in a vacuum that is outside the control of sovereign Governments. Governments set the regulatory and legal environment in which private entities can undertake their activities. Voluntary private compliance is not enough to protect the rights of migrants and sustained political will is needed to ensure that Governments use their legislative, policymaking, investigative and judicial powers to protect the rights of individuals regardless of nationality.

76. Based upon an enlightened conceptualization of economic growth and of efficient labour markets, and of their normative framework and human rights and labour law commitments, States must individually and collectively utilize their capacities to shift the bottom line and progressively nurture an exclusively ethical system of recruitment for global labour migration.

A. Recommendations to Governments

Overall migration policies and recognition of the push factors

- Develop whole-system, human-rights-based frameworks for overall migration and border management that take into account the rights and needs of migrant workers, and the benefits of organized mobility, and incentivize regular, open and facilitated labour migration
- Recognize the push factors related to precarious labour migration and, within the context of the post-2015 sustainable development goals agenda and other international and national policy initiatives, promote decent work opportunities for people at home. Decent work will empower people to make informed decisions about whether to seek work overseas and deal with recruitment processes from a position of choice
- In further recognition of migration push factors, invest in sufficient social protection systems in countries of origin to ensure that poverty, and/or economic or environmental shocks do not force people into precarious labour migration

Banning recruitment fees

- Develop measures in consultation with all stakeholders, including migrants and civil society, to create an outright ban on the payment of all types of recruitment fees by migrants. Ensure that the impetus of the implementation of this ban is on Governments and that migrants are not economically penalized if they admit to having paid a fee
- Consider options for collective action to totally ban recruitment fees to level the playing field and ensure that concerns about international competitiveness will not impact wholesale transition to an ethical system
- Include advocacy of the business case for responsible recruitment practices that prohibit recruitment fees in engagement with the private sector, and involve business associations in the promotion of such a business case

Strengthening the overall legal and policy framework in relation to recruitment practices

- Standardize contracts for migrant workers within different sectors and at different skills levels. Labour contracts based on such a standardized model should specify the job description, wages and labour conditions
- Ensure the total elimination of wage discrimination on the basis of nationality
- Abolish "sponsorship" systems whereby migrants are dependent on their employers for residence visas and work permits, and thus vulnerable to abuse and exploitation
- Develop legislation that regulates the relationship between recruitment agencies and their agents, their subagents or other forms of subcontractors, such as testing centres. Recruiters should have formal business arrangements in place with all agents and subagents that articulate a clear structure of accountability and liability for business practices
- Ensure that the relevant provisions within labour laws and regulation cover all sectors. Ensure that special attention is given to sectors that typically operate outside formal labour regulation, such as domestic work
- If not already done, ratify all 10 core international human rights instruments, including the 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families
- Ratify and enact into law the other key international legal standards protecting migrant workers, including ILO Conventions no. 87, 97, 143, 181 and 189, and the ILO Declaration on Fundamental Principles and Rights at Work and the ILO Forced Labour Protocol. Human rights and related labour standards apply to all migrants at every stage of the recruitment process, and are not dependent upon being a citizen of a sovereign territory

- Ensure implementation of the 2011 United Nations Guiding Principles on Business and Human Rights, by taking concrete steps to implement the United Nations "Respect, Protect and Remedy Framework" in relation to migrant workers
- Develop country-level and regional policies on tackling exploitative and abusive recruitment practices, which bring together the perspectives of the multiple stakeholders involved in the recruitment process, articulate a clear vision for eliminating abuse and exploitation, and precisely define the roles and responsibilities within the complex network of actors who contribute to international recruitment
- Invest in the effective evaluation of policies relating to recruitment fees and migrant workers to ensure robust and evidence-led policymaking at the national, regional and international levels, including through external independent auditing mechanisms
- Examine examples of good practice within the current system, and develop strategies for how these can be replicated and built upon to support wholesale transition to an ethical system
- Ensure that strong gender analysis is included within all laws and policies to ensure protections for the additional vulnerability of many female migrant workers. Such protections should, however, never limit the economic opportunities or freedom of movement of women

Effective regulation, oversight and enforcement of the law

- Develop fully robust, transparent and publically accountable licensing systems for recruitment companies. Recruitment companies seeking licences must be subject to rigorous human rights and labour law due diligence. Companies licensed to provide recruitment services to migrants should be subject to ongoing regulation and monitoring in relation to human rights impact
- Require recruitment agencies who facilitate the employment of migrants abroad to be licensed in both countries of origin and destination in order to ensure more effective bilateral oversight of recruitment practices
- Revoke the licences of recruitment agencies that charge fees to migrants and/or are proven to have abused the human or labour rights of migrants. Licences should be subject to regular renewal with compliance with human rights obligations being essential for reissuing of licences
- Ensure controls are in place to prevent the re-registration of unscrupulous agencies following having had their licence revoked. Develop a rating scheme, which assesses the conduct of recruitment agencies against human rights and labour standards, so that migrants are empowered to avoid unscrupulous agents and there is a market incentive for agencies to comply with human rights and labour rights
- As part of this rating scheme, develop and maintain a blacklist of unethical agencies, which exploit and/or facilitate broader human rights and labour law abuses

- Invest into whole-system improvement in the labour inspections in countries of destination workers. Labour inspectors must interact with migrant workers, and, where necessary, be accompanied by interpreters in languages understood by migrant workers
- Train labour inspectors in human rights and labour standards, and in indicators of exploitation. Develop clear and effective accountability mechanisms that can be used by labour inspectors to follow up on such human rights and labour law violations
- Conduct systematic checks to ensure that recruiters and employers do not confiscate the passports and other identity or travel documents of migrant workers
- Ensure that labour inspection is extended to all sectors that employ migrant workers, including domestic work in private houses
- Explore e-government solutions to ensure an early and effective registration of migrant worker contracts and the prevention of contract substitution in the country of destination
- Ensure that actions following the detection of unethical recruitment practices never economically or criminally penalize migrants
- Destination countries should invest in opening satellite offices of labour ministries and in working with local authorities in countries of origin, in order to support the implementation of an ethical recruitment system. These offices could conduct joint information campaigns, register and monitor the labour contracts of migrant workers and provide joint oversight of the recruitment chain
- Develop a regulatory environment that supports the unionization of all workers, including migrant workers, and the vital role that trade unions can play in the protection of the human rights and labour rights of migrant workers

Regional and international cooperation

- Develop bilateral agreements on labour migration between countries of destination and origin, which are based on international standards and prioritize the full implementation of the human rights and labour rights of migrants and fully incorporate the voices of both migrants and civil society
- Continue dialogue through the regional consultative processes, ensuring that it is guided by the long-term, holistic thinking that is needed to achieve the whole-scale transition to an ethical recruitment system
- Ensure systematic sharing of intelligence within regional networks about recruitment agencies that exploit migrant workers. Create effective feedback loops from this regional information-sharing into licensing and monitoring systems at the national level
- Collaborate regionally on models of monitoring and oversight that tackle the specific challenges and practices experienced by migrant workers in countries of origin and destination within regional groupings

- Share good practices and intelligence on recruitment agencies between the different regional consultative networks. Consider seeking technical assistance from the International Labour Organization and the Office of the United Nations High Commissioner for Human Rights to support the wholesale transition to an ethical recruitment system, in line with core international human rights and labour standards

Access to justice

- Remove barriers to access to justice, ensuring that migrants can effectively — and not simply on paper — access a legal remedy for violations of their rights in the context of recruitment practices and labour migration
- Access to justice should primarily be through judicial and quasi-judicial means and should not be reliant only on voluntary or private forms of remedy, which often do not provide adequate compensation to migrants or effectively punish rights violators
- Strengthen the capacity of the independent judiciary to provide access to justice for migrant workers who have been exploited by recruiters and punish perpetrators in such a way that creates real and lasting disincentives for the mistreatment of migrants
- Consider the development of specialist tribunals to ensure access to justice for migrant workers. Such specialist provisions would allow for the individual needs of migrants to be met, and for the development of a systemic view of rights violations related to labour migration and recruiters
- Involve other actors that are important for ensuring an effective access to justice for all migrant workers, such as: labour inspectors, social workers, national human rights institutions, ombudspersons, unions, among others
- Make easily available all the services necessary for ensuring effective access to justice for all migrant workers, such as legal aid, interpretation and translation services, information about rights and available remedies, as well as humanitarian visas to return to destination countries to testify and otherwise pursue justice. Bilateral agreements between countries of origin and destination should address the provision of such services
- Support unionization and a realization of the rights to free of association and assembly, as a way to empower migrants and allow them to access justice
- Develop effective and accessible mechanisms for migrants to recover improper recruitment fees from employers and recruiters

Empowering migrants through information and support

- Make the ratings of recruitment agencies, including information about blacklisted agencies, available to all migrant workers. Disseminate this information in accessible formats (such as Internet and mobile phone-based services), ensuring translation to all relevant languages

- Invest in the development and dissemination of information on access to justice for migrant workers, so that they are aware of their rights and potential avenues for support and remedy if they are subject to exploitation by recruitment companies
- Increase and improve pre-departure training and information in order to promote informed decision-making and enhance the skill levels of prospective migrants, including language and general skills
- Ensure that consular support is always available to migrants in countries of destination, so that they are able to access information and assistance about finding alternatives to exploitative situations, and gaining access to justice and social protection services
- Increase the capacity of labour attachés within missions in countries of destination, in order to allow them to increase the scope of their work and give more attention to combatting the practices of unscrupulous recruiters

Integration of migrants in countries of destination

- Include basic entitlement packages (food allowances, kitchen facilities, safe drinking water, size and quality of the living quarters, medical coverage, among others) as a necessity for migrant workers within the laws governing contracting labour
- Ensure that migrants can, when in situations of difficulty, access government facilities such as housing and health services
- Create firewalls between government services, such as courts, labour inspectors or health-care services, and immigration enforcement, in order to empower migrants to access basic services without fear of deportation
- Create an environment that is conducive to unionization and allows migrant workers to exercise their freedom of association, assembly and collective bargaining
- Through fact-based analyses and long-term thinking, challenge and fight representations of migrants that encourage racism and xenophobia and increase their social isolation and the precariousness of their situation
- Integrate these analyses in the political discourse, as well as in public communication strategies and education curricula
- Ensure that acts of racism and xenophobia against migrant workers, both within the labour market and broader society, are fully investigated and prosecuted through the judiciary
- Develop mechanisms whereby longer-term migrant workers, who make a valuable contribution to the economies of destination countries, whatever their skill level, are able to access opportunities for permanent residency and citizenship

Engagement with the private sector

- Work with the private sector to ensure that a full understanding of the real needs and gaps with the labour market is reflected in the development

of overall migration management systems, based on human rights standards

- Work with the private sector more broadly to ensure that their perspective is included within legal and policy debates
- Further sensitize private organizations about the human rights implications of business practices and support them in implementing the United Nations Guiding Principles on Business and Human Rights in relation to recruitment practices
- Include international business associations and trade unions, as well as the ILO, in dialogues with the private sector to utilize their reach and impact in support of transition to an ethical system of labour recruitment
- Lead by example in the development and implementation of the human rights due diligence undertaken in relation to government contracts. Prioritize and reward ethical recruitment agencies within the contracting of government work and ensure that the costs of ethical recruitment are factored into the tendering process. Have a zero-tolerance policy on the charging of fees and broader abuses of migrant workers' rights in any part of government supply chains. Ensure regular and robust independent audits to ensure compliance

Data collection

- Invest in national data collection that develops institutional understanding of migration push and pull factors, recruitment practices, and the migration patterns of nationals
- Use regional consultative processes to develop data collection and sharing at the regional level, so that trends between different countries of origin and destination are more fully understood
- Work in partnership with the relevant international organizations to further develop a collective understanding of global trends in international labour recruitment
- As an integral part of the development of the metrics associated with the post-2015 sustainable development goals agenda, ensure that data collection is joined up and coherent so it can effectively support monitoring and evaluation and provide an evidence base for effective laws and policies
- Ensure that all data collection systems include disaggregated metrics to fully understand labour migration and recruitment patterns

B. Recommendations to private sector organizations

- Ensure full implementation of the "Respect, Protect and Remedy Framework" within the United Nations Guiding Principles on Business and Human Rights, in relation to migrant workers
- Comply with all relevant international human rights and labour standards

- Enforce a zero-tolerance policy on the payment of recruitment fees among workers
- Audit supply chains and ensure human rights due diligence with all contractors and subcontractors
- Have clear policies in place for how to tackle the detection of unethical recruitment practices within business operations and/or in the supply chain
- Provide a mechanism ensuring the refunding to migrants of all detected recruitment fees
- Refrain from the confiscation of workers' passports at all times and any other restrictions on migrants' freedom of movement
- Support migrant workers' rights to freedom of assembly and association and collective bargaining. Engage in fair dialogue with trade unions representing migrant workers
- Support the implementation of standard contract terms specifying job description, wages and labour conditions
- Provide all migrant workers with a range of accommodation options, including those independent of employment arrangements and recruiters, food and access to health care, while working in countries of destination. Ensure that all workplace conditions are compliant with ILO standards
- Integrate human rights due diligence in relation to the recruitment of migrant workers into investment decisions
- Through international business associations and other collaboration mechanisms, take a global leadership role in wholesale transition to an ethical recruitment system, including reform of the economic incentives that are perpetuating the exploitation of migrants
- Share and build upon best practices in the current system to develop new business models that are compatible with international human rights and labour standards
- Explicitly feature the human rights of all migrant workers in all company and trade association codes and guidance

C. Recommendations to international organizations

- Support Governments in developing more robust legislation, licensing systems and monitoring mechanisms, through the sharing of good practice guides and the development of robust codes of conduct
- Consider how more robust monitoring mechanisms for business-related violations of human rights, accompanied by concrete accountability measures, can be integrated into the United Nations human rights architecture

- Further encourage Governments to ratify the International Convention on the Protection of the Rights of All Migrant Workers and Their Families, ILO Convention no. 181 and other relevant standards
- The United Nations Working Group on Business and Human Rights should pay attention to the issue of recruitment practices and consider developing guidelines
- Support Member States in sensitizing the private sector on human rights abuses and implementing the Guiding Principles and other international standards
- Provide any requested technical cooperation to support Member States in transitioning towards an ethical system of international labour recruitment
- Improve coordination on the issue of recruitment fees among migrant workers across different United Nations agencies
- Support Governments in developing joined up data collection systems at the national, regional and international levels, which allows for a full understanding of trends and root causes
- Integrate concerns about the specific vulnerability of migrant workers subject to abuse and exploitation by unethical recruiters into the further development and implementation of the post-2015 sustainable development goals agenda and migration management
- Consider how development programming in countries of origin can address the push factors that lead migrants to seek precarious opportunities abroad. Attention should be given to the gender implications of such programmes.

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Macroeconomic policy questions**International financial system and development****Report of the Secretary-General*****Summary*

The present report, submitted pursuant to General Assembly resolution 69/206, summarizes information on recent trends in international official and private capital flows to developing countries and ongoing efforts to strengthen the international financial system for the implementation of the forthcoming 2030 agenda for sustainable development. It also highlights relevant agreements and commitments of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, with regard to official development assistance, financial regulation, sovereign debt distress, the global financial safety net, multilateral surveillance, policy coordination and governance reform of the international financial institutions.

* A/70/150.

** The present report was prepared in consultation with staff of the major institutional stakeholders involved in the financing for development process. Responsibility for its contents, however, rests solely with the United Nations.



I. Introduction

1. The General Assembly, in its resolution 69/206, recognized the need to continue and intensify efforts to enhance the coherence and consistency of the international monetary, financial and trading systems, reiterated the importance of ensuring their openness, fairness and inclusiveness in order to complement national efforts and achieve sustainable development, including the internationally agreed development goals, and reaffirmed the need for significant mobilization of resources from a variety of sources and the effective use of financing in order to promote full and productive employment and decent work for all.

2. At the third International Conference on Financing for Development, held from 13 to 16 July 2015 in Addis Ababa, Heads of State and Government and high-level representatives considered issues related to financing development gaps and achieving sustainable development in all its three dimensions and adopted the Addis Ababa Action Agenda of the Third World Conference on Financing for Development.¹ Although the needs in this field are enormous, the Action Agenda observed that the challenge of meeting them was not insurmountable. Furthermore, as noted in the report of the Intergovernmental Committee of Experts on Sustainable Development Financing, available global public and private savings would be sufficient to finance the investments necessary to achieve sustainable development for all.² However, current investment patterns need to be changed. While there is no one simple policy solution, the Action Agenda underscored the importance of enabling domestic and international environments for securing finance on a sustainable basis. It stressed that mobilizing the necessary resources would require a concerted effort that drew on all actors and all resources, including public, private, domestic and international resources. As recognized in the Monterrey Consensus and reaffirmed in the Doha Declaration and the Action Agenda, countries are responsible for their own economic and social development. At the same time, national development efforts need to be supported by an enabling international environment, including a stable international financial system, coherent and mutually supporting world trade, monetary and financial systems, and strengthened and enhanced global economic governance.

II. International financial flows to developing countries

A. International public finance

3. As recognized in the Addis Ababa Action Agenda, achieving the ambitious post-2015 development agenda, including the sustainable development goals, puts significant demands on public budgets and capacities, requiring scaled-up and more effective international support, including both concessional and non-concessional financing.

Quantity of development assistance

4. Net official development assistance (ODA) from member countries of the Organization for Economic Cooperation and Development (OECD) and its

¹ Resolution 69/313, annex.

² A/69/315, paras. 22 and 36.

Development Assistance Committee has increased substantially since the Millennium Declaration, and is estimated to have reached \$135.2 billion in 2014,³ after falling to \$132.4 billion in 2011 and to 127.6 billion in 2012 in the aftermath of the world financial and economic crisis and fiscal stresses in some European countries. Only five members of Development Assistance Committee exceeded the commitment to achieve the target set by the United Nations of disbursing 0.7 per cent of their gross national income (GNI) as ODA. Collectively, ODA amounted to 0.29 per cent of donor GNI in 2014, leaving a delivery gap of \$191 billion, or 0.41 per cent of GNI.

5. The sectoral allocation of ODA during the era of the Millennium Development Goals (2000-2015) reflected the emphasis of the Goals on basic social needs, most prominently in the areas of health and education. More recently, there has also been a rapid increase in climate-related ODA. Between the 2007-2009 and 2010-2012 periods, such assistance increased by 150 per cent, to an average of \$21 billion per year in the latter period. While there is broad agreement that all ODA should be climate-sensitive, there are concerns about the implications of this trend for the allocation of ODA, as climate-related ODA tends to benefit middle-income countries disproportionately.⁴ Moreover, this may affect the additionality of climate financing.

6. While ODA to the least developed countries increased substantially, more than doubling from \$21.6 billion in 2000 to \$45.8 billion in 2010, it has fallen in recent years. The reduction in aid to those countries was particularly pronounced in 2011 and 2012. Preliminary data from 2014 indicate a continued fall in bilateral ODA, totalling 16 per cent in real terms. In countries in Sub-Saharan Africa, there was a decrease in bilateral aid of about 5 per cent in real terms in 2014. At the third International Conference on Financing for Development in Addis Ababa, developed countries agreed to halt the decline in ODA to the least developed countries. The Addis Ababa Action Agenda encourages developed countries to increase the target for ODA to the poorest countries to 0.2 per cent of GNI, and welcomes the European Union's commitment of the European Union to spend 0.7 per cent of GNI on aid, with 0.2 per cent going to the least developed countries by 2030.

Effectiveness of development cooperation

7. In addition to commitments to increase the quantity of ODA, the international community has also worked to strengthen its quality and effectiveness. Despite some progress in implementing the work plan of the Development Assistance Committee on aid effectiveness, only one of the 12 agreed indicators was fully realized by the time of the final review in 2011, underlining the political and administrative hurdles to changing aid relationships. To reinvigorate the process, a broader group, including Governments, bilateral and multilateral organizations and representatives of civil society and the private sector, created the Global Partnership for Effective Development Cooperation, aiming for more comprehensive monitoring and the sharing of policy lessons. The Development Cooperation Forum, which meets under the auspices of the Economic and Social Council, also supports

³ OECD, "Development aid stable in 2014 but flows to poorest countries still falling", Paris, 2015.

⁴ Overseas Development Institute, World Resources Institute and Institute for Global Environmental Strategies, 2013, "Mobilizing international climate finance: lessons from the fast-start period".

development effectiveness, particularly by facilitating monitoring, review and accountability of both providers and recipients of development cooperation.

8. Overall, one can point to progress made, such as in untying aid, in reporting ODA in national budgets of aid-receiving countries, and in using country administrative systems in the management of aid-funded programmes and projects. Nonetheless, conditions that donors attach to ODA remain burdensome, internal procedures by donors remain complex and the fragmented landscape continues to pose coordination challenges. The Addis Ababa Action Agenda emphasizes the importance of strengthening the effectiveness and improving the quality of ODA and calls for the provision of data on aid effectiveness and evidence of tangible results.

9. Financial and technical cooperation among developing countries is playing an increasingly important role in development. Estimates based on available data show that South-South development cooperation may have reached \$20 billion in 2013 as a result of a major increase in contributions from some Arab countries.⁵ Developing countries have also taken steps to establish new development finance institutions, notably the New Development Bank and the Asian Infrastructure Investment Bank, which are expected to provide and leverage substantial additional resources, especially in support of infrastructure development. The two banks have an initial authorized capital base of \$100 billion each, and both financial institutions are expected to be fully operational in 2015. These new initiatives have been welcomed in the Addis Ababa Action Agenda, which encourages developing countries to voluntarily step up their efforts to strengthen South-South cooperation and to further improve its development effectiveness in accordance with the provisions of the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation.

B. Private capital flows to developing countries

10. Foreign direct investment (FDI) to developing countries remained strong in 2014, reaching a new high of more than \$700 billion, 4 per cent higher than in 2013, representing 56 per cent of global FDI. Flows to transitional economies were reduced by more than half, however, to \$45 billion, as regional conflicts, sanctions on the Russian Federation and negative growth prospects deterred foreign investors (especially from developed countries). In 2014, China, with an increase in FDI of 3 per cent, became the world's largest recipient of such investment.⁶

11. Simultaneously, outward FDI from developing economies continued to increase, particularly from China, including from Hong Kong. In 2014, multinational corporations in developing economies alone invested almost \$500 billion abroad, a 30 per cent increase from the previous year. Their share in global FDI reached a record 36 per cent, up from 12 per cent in 2007, the year

⁵ Many partners participating in South-South development cooperation do not publish data on a yearly basis. Figures are based on data collected in preparation for the forthcoming second *International Development Cooperation Report* (Department of Economic and Social Development).

⁶ UNCTAD, *Global Investment Trends Monitor*, No. 18, 29 January 2015.

before the financial crisis. In 2014, Hong Kong and China were the second and the third largest investors in the world, after the United States of America.⁷

12. Portfolio equity inflows rebounded significantly in 2014 from a sharp decline in 2013, reaching about \$140 billion, driven by a renewed search for yield. By mid-2014, such flows increased significantly to countries in Asia and Latin America, including Brazil, India, Indonesia and Mexico. Inflows also increased in other markets, including in South Africa and Turkey. By contrast, portfolio debt inflows continued to decline in 2014, falling from \$390 billion in 2013 to \$310 billion. Despite this decline, debt inflows are noticeably higher than the pre-crisis peak levels.⁸

13. Cross-border bank flows increased by 6 per cent in 2014,⁹ but continued to demonstrate high volatility.¹⁰ Lending to China increased most — by 21 per cent. The surge in international lending to China has consisted primarily of lending to banks, most commonly in short-term claims. The share of outstanding international claims on China with a remaining maturity of one year or less has increased from 59 per cent at the end of 2008 to 78 per cent at the end of 2014. At the same time, the share of cross-border bank claims denominated in United States dollars has declined in many large emerging market economies. In the case of China, that ratio dropped by 15 percentage points, from 54 per cent at the end of 2008 to 39 per cent at the end of 2014. The dollar share of cross-border bank lending has also declined in the case of Mexico, the Russian Federation, Taiwan Province of China and Turkey.

C. External debt

14. At an aggregate level, the debt situation of developing countries appears to be generally benign, although debt burdens remain significant in some developed and developing countries. The external debt of developing countries measured 23.2 per cent of their GDP in 2014 as opposed to 35.4 per cent in 2000. As of 2015, the Highly Indebted Poor Countries initiative and Multilateral Debt Relief Initiative have managed to substantially reduce the debt burdens of eligible countries and the schemes are now almost complete, with 36 countries out of a total of 39 eligible countries at “completion point”.¹¹ Just three prequalified countries, Eritrea, Somalia and the Sudan, have yet to start the debt relief process. Debt relief under the HIPC

⁷ Ibid., No. 19, 18 May 2015; and UNCTAD, *World Investment Report 2015*, June 2015.

⁸ *World Economic Situation and Prospects 2015*, update as at mid-2015, Department of Economic and Social Affairs, 2015.

⁹ Bank for International Settlements, international banking statistics at end-December 2014, Monetary and Economic Department, April 2015.

¹⁰ Total private capital flows are equal to flows of direct, portfolio and “other” investment. However, the definition of “other” investment, as reported by IMF, recently changed — it now includes also a number of items of official (Government) flows. The present report uses “bank flows”, as reported by the Bank of International Settlements, as a proxy for the flows of private non-direct and non-portfolio investment. It is important to keep in mind that the sum of bank flows, direct and portfolio investment is not exactly equal to total capital flows.

¹¹ Chad reached the completion point at the end of April 2015; there are presently no “interim heavily indebted poor countries” that have reached the decision point under the HIPC initiative but have not yet reached the completion point.

initiative and Multilateral Debt Relief Initiative helped free up funds for additional expenditure, including for poverty reduction.

15. More recently, in response to the Ebola crisis, the International Monetary Fund (IMF) established the Catastrophe Containment and Relief Trust, which allowed \$100 million worth of new debt relief for Guinea, Liberia and Sierra Leone, which had already reached completion point under the Highly Indebted Poor Countries initiative.

16. While the external debt to gross domestic product (GDP) ratio of all low- and middle-income countries has declined significantly since the early 2000s, the aggregate masks the rapid build-up of debt in a group of "small States",¹² within which a number of countries have been caught in debt difficulties over a long period of time, exhibiting very high debt-to-GDP ratios. In addition, the proportion of short-term debt in the external debt stock has been growing in recent years in a number of developing countries.

17. The ratios of external debt servicing to exports has also begun to rise, although they remain below the levels recorded in the early years of the millennium. Due to the likelihood of future increases in interest rates, a growing risk of debt vulnerability in countries that have roll-over risks requires effective management. In particular, a number of lower-middle-income and low-income countries, including some that benefited from the Highly Indebted Poor Countries initiative and the Multilateral Debt Relief Initiative, have issued bonds in international markets in recent years. There is a risk that some countries will have problems refinancing their debt when interest rates rise. Sound fiscal policies and prudent debt management strategies can help attenuate these risks.

D. Global imbalances and reserve accumulation

18. After narrowing modestly in 2013, the global scale of current account imbalances, and of excess imbalances, held steady in 2014. Excess deficits and surpluses narrowed in some cases, but widened in others. This follows large increases over the past several decades, with the ratio of reserves of all countries to gross world product increasing from about 2 per cent in the 1960s to over 15 per cent by 2014. An unfinished policy agenda to reduce excess imbalances remains. Efforts by both surplus and deficit economies would be mutually reinforcing and would support growth.

19. Nevertheless, global imbalances are significantly below the pre-recession peak of 2007. While the United States remains the country with the world's largest deficit, its current account deficit has fallen from 5 per cent of GDP in 2007 to 2.4 per cent in 2014. Among the major surplus countries, China has a current account surplus that has fallen from more than 10 per cent of GDP in 2007 to about 2 per cent in 2014; significant appreciation of the yuan from 2007 onwards helped to redirect the Chinese economy towards a pattern of greater consumption and more imports. Germany's surplus has continued to rise, equalling 7.5 per cent of GDP, which has helped push the eurozone's combined surplus to a new record, a trend that may be reinforced by the weakening of the euro. The decline in the prices of oil

¹² "Small States" is a classification used by the Commonwealth Secretariat. Thirty-one member States of the Commonwealth are classified as small States.

and other commodities has led to lower deficits in several large commodity-importers and smaller surpluses, and even deficits, in major commodity-exporters, notably Saudi Arabia and other States members of the Gulf Cooperation Council.¹³

20. Reserve accumulation in emerging-market and developing economies has fallen substantially. In 2014, reserves in these countries increased only by \$66 billion, whereas in the period from 2007 to 2013 the annual increase in reserves for this group of countries was in the range of \$439 billion to \$1.22 trillion.¹⁴

21. The reasons for reserve accumulation vary. Reserves provide "self-insurance" against potential external shocks in current accounts (due mostly to the fluctuations in commodity prices) and in capital accounts (due to the volatility of capital inflows and outflows). At the same time, reserves can be a by-product of export-led growth strategies that maintain an undervalued currency through interventions in the currency market.

22. There are opportunity costs related to the greater build-up of reserves — these are savings of developing countries that are generally invested in the Government bonds of developed countries, which are used to finance investment and consumption in the developed countries. However, the gains from the accumulation of reserves — in the form of faster growth of exports, employment and output — may exceed the costs of putting aside part of the national savings.

23. Several significant developments will affect external positions in 2015: sharply lower oil prices; cyclical divergence and different monetary policies among the major economies; and related currency movements. The pattern of projected near-term changes in current accounts is dominated by the impact of the drop in oil prices, although this pattern will be partly offset by related currency movements and by eventual expenditure responses.

24. Recent changes in real effective exchange rates, near 10 per cent in some cases, have also affected current accounts in 2015. The pattern of recent movements in the value of major currencies, together with recent monetary policies, has had beneficial impacts for the global economy, including the easing of global financial conditions. At the same time, the future global financial environment will be complicated by the diverse risks associated with the process of exit from especially accommodating monetary policies, with the potential to disrupt markets and impact the real economy in countries worldwide. Emerging markets and countries with excess current account deficits are likely to be the most vulnerable. Policymakers should be prepared to respond flexibly to changing financial conditions using a range of tools, including strengthening policy frameworks and capital account management.

¹³ Department of Economic and Social Affairs, *World Economic Situation and Prospects 2015*, update as at mid-2015, 2015.

¹⁴ IMF, *World Economic Outlook, 2015: Uneven Growth: Short- and Long-Term Factors*, April 2015.

III. Strengthening the international financial architecture in support of the post-2015 development agenda

A. Strengthening international financial regulation

25. The Addis Ababa Action Agenda includes an agreement to “hasten completion of the reform agenda on financial market regulation, including assessing and if necessary reducing the systemic risks associated with shadow banking, markets for derivatives, securities lending and repurchase agreements”.¹⁵ Governments also committed to addressing the risk of “too-big-to-fail” financial institutions, and addressing cross-border elements in effective resolution of troubled systemically important financial institutions.

26. The current approach to the reform of international financial regulation has focused primarily on ensuring the safety and soundness of the financial system, centred on the banking sector through Basel III. Basel III reforms include higher minimum capital requirements, an improved quality of capital, a leverage ratio and larger liquidity buffers (inclusive of off-balance sheet obligations).¹⁶

27. The Addis Ababa Action Agenda stresses that the policy and regulatory environment should support the stability of the financial markets and promote financial inclusion in a balanced manner, including appropriate consumer protection. Striking a balance between stability — particularly in reducing systemic risks — and ensuring access to credit, particularly for higher risk lending in areas that can be critical for achieving sustainable development, remains a complex challenge for policymakers since there can be trade-offs between the two. As a result, there has been an increasing focus on the unintended consequences of the Basel regulations, in particular on long-term financing, trade finance, small and medium-sized enterprise financing and other areas of importance for achieving sustainable development. In response, some countries have made adjustments. For example, concerned with the risk of reduced lending to small and medium-sized enterprises, the European Union has reduced capital requirements on such exposures in the calculation of capital conservation buffer requirements.¹⁷

28. To address the issue of “too-big-to-fail”, the Financial Stability Board has suggested that global systemically important financial institutions should have a total loss-absorbing capacity beyond the general standards of Basel III, that they should develop recovery and resolution plans (also known as living wills) and that countries should prioritize this approach in national regulatory frameworks. The Financial Stability Board has also called for the adoption of cross-border cooperation agreements, and it is developing rules to protect smaller economies that host subsidiaries of global systemically important financial institutions. Most large international banks are on course to meet the new Basel III capital ratios. In 2014 the largest banks in the survey, including global systemically important financial

¹⁵ General Assembly resolution 69/313, annex, para. 109.

¹⁶ Basel III introduced two required liquidity ratios. The “Liquidity Coverage Ratio” was supposed to require a bank to hold sufficient high-quality liquid assets to cover its total net cash outflows over 30 days; the “Net Stable Funding Ratio” was to require the available amount of stable funding to exceed the required amount of stable funding over a one-year period of extended stress.

¹⁷ Basel II, para. 231 (definition of retail exposures), and article 501 of the Capital Requirements Regulations.

institutions, were only \$4.4 billion short of meeting the 7 per cent target ratio (including the capital conservation buffer for larger banks), down from \$62 billion in 2013.

29. Despite the increasing awareness of the systemic risks posed by global systematically important financial institutions, structural reforms, meant to separate core banking activities from market-based activities, have yet to be adopted in many countries. Discussions are also ongoing on a leverage ratio as a credible supplementary measure to risk-based capital requirements. Any final adjustments to the definition and calibration of the minimum leverage ratio (currently set at 3 per cent) will be made by 2017. Large banks, however, began to publicly disclose their leverage ratio to their national supervisory bodies on 1 January 2015.

30. More generally, complex regulations can be difficult to implement and supervise in many countries. This argues for broad-based and simple regulations that incorporate both balance sheet and off-balance sheet exposures and incorporate counter-cyclical measures. Nonetheless, there would still be a risk that lending requiring higher capital would shift from regulated banking activities to shadow banking.

31. According to Financial Stability Board data, shadow banking¹⁸ grew by \$5 trillion from 2013 to 2014, to about \$75 trillion worldwide. The Board has spearheaded the process of designing a framework for managing systemic risks in the shadow banking system with the goal of preventing such risks from impacting the regulated banking sector. According to the Board, while advanced economies, by virtue of their size, have the largest shadow banking sectors, the fastest growth rates are in emerging-market economies. For example, shadow banking has increased most rapidly in Argentina, which saw a 50 per cent jump, and in China, where growth was more than 30 per cent. It is important to note, however, that shadow banking has a different profile in the developing countries than in the developed countries. In some countries, it includes elements of inclusive finance, that is, non-bank financial intermediaries that fill an important credit gap. This underscores the point made in the Addis Ababa Action Agenda regarding the importance of including all forms of financial intermediation in a robust regulatory framework, as well as of supporting financial stability and financial inclusion in a balanced manner.

32. The 2008 crisis also exposed risks associated with unregulated derivatives, which dramatically increased leverage in the financial system. Risks were noted particularly in the over-the-counter derivatives market, including a lack of transparency regarding counterparty exposures, insufficient collateralization and uncoordinated default management. The Financial Stability Board has reported some progress on implementation of reforms approved by the Group of 20 to make derivative markets safer, with all 19 member jurisdictions of the Board having at least some reporting requirements in force, or having adopted legislation or requirements in this regard. Although it is expected that 10 member jurisdictions of the Board will have mandatory clearing requirements for some products in effect by

¹⁸ The term "shadow banking" is sometimes used to refer to unregulated financial intermediation that facilitates the creation of credit; however, the Financial Stability Board defines shadow banking as credit intermediation involving entities and activities outside of the regular banking system.

the end of 2015, over-the-counter derivatives trading continues at near pre-crisis levels.

33. Significant differences remain between countries regarding the degree to which regulatory banking frameworks have been implemented, as well as the interpretation of the legislation into national guidelines. Some argue that rules should be implemented in a coordinated and consistent manner as differences can lead to a watering down of standards. However, others consider that differences are necessary given different institutional country frameworks. The recent inclusion of more emerging markets in the plenary of the Financial Stability Board (Argentina, Indonesia, Saudi Arabia, South Africa and Turkey) is thus an important step in order to ensure that a wider range of perspectives is taken into account in international standard and norm-setting. In this regard, in the Addis Ababa Action Agenda, world leaders recommitted themselves to broadening and strengthening the voice and participation of developing countries in international economic decision-making and norm-setting and in global economic governance.

B. Multilateral reform

Global financial safety net

34. Since the 2008 world financial and economic crisis, world leaders have repeatedly stressed the need for an adequate global financial safety net.¹⁹ A safety net can provide liquidity in times of systemic crisis, reducing the incentive for countries to accumulate excess reserves as a form of self-insurance against adverse shocks. The Addis Ababa Action Agenda also recognizes the need to strengthen the permanent international financial safety net, including a strong IMF and its cooperation with regional financial institutions, while safeguarding their respective independence. In this regard, IMF has quadrupled its lending resources since the 2008 global crisis and has introduced several new financing instruments with the key objective of reducing the perceived stigma of borrowing from the Fund and encouraging countries to ask for assistance before they face a full-blown crisis. These instruments include: the Flexible Credit Line, which provides large and up-front access to IMF resources for members with very strong fundamentals; policy implementation and institutional policy frameworks; and the Precautionary and Liquidity Line, which provides financial support to countries with sound fundamentals, policy implementation and institutional policy frameworks, but some remaining vulnerabilities.

35. IMF has also relaxed timing limitations on the precautionary use of the Standby Credit Facility, extended the permissible initial duration of Extended Credit Facility arrangements, increased the flexibility in the phasing of disbursements, allowed for ad hoc augmentation of arrangements in some circumstances and eased the poverty reduction strategy documentation requirements of the Extended Credit Facility and the Policy Support Instrument. In addition, the Rapid Credit Facility within the Poverty Reduction and Growth Trust allows limited conditionality for low-income countries facing an urgent balance of payments need.

¹⁹ See, for example, recent communiqués by the Group of 20, IMF (International Monetary and Finance Committee), Fortaleza Declaration adopted by Brazil, the Russian Federation, India, China and South Africa (BRICS group of countries) and the Addis Ababa Action Agenda.

36. In order to preserve the Fund's ability to provide financial support to low income countries, the IMF Executive Board decided to distribute to the membership, in proportion to their quota shares, \$1.75 billion in special drawing rights (about \$2.7 billion) from the general reserve attributed to windfall profits from the sale of gold. This distribution was subject to the provision of satisfactory assurances by members that they will make new concessional lending subsidy contributions equivalent to at least 90 per cent of the amount distributed. The provision was met in October 2013 and as of 15 April 2015, 155 countries, representing 94.37 per cent of the participating countries, pledged to use their proportion of the distribution to subsidize lending to low-income countries.²⁰

37. In advance of the third International Conference on Financing for Development, IMF reformed its lending architecture to expand access to its concessional resources and to provide the poorest countries with a wider safety net to handle unanticipated shocks.²¹ The key measures include raising access norms to all concessional facilities by 50 per cent, rebalancing the funding mix of concessional to non-concessional financing under blended arrangements and setting the interest rate to zero for Rapid Credit Facility loans to low-income countries with an urgent balance of payments need.

38. The global financial safety net consists of a multilayered structure with global, regional, bilateral and national components. Whereas the largest element of the safety net is provided by IMF (at \$1.25 trillion), a range of regional and multilateral financing arrangements have emerged to provide additional liquidity. More permanent frameworks of liquidity lines among key central banks remain pivotal for a functioning global safety net. For example, in October 2013, the United States Federal Reserve institutionalized the dollar swap lines that were put in place in 2008 during the global financial crisis in coordination with the Bank of Canada, the Bank of England, the European Central Bank, the Bank of Japan and the Swiss National Bank, totalling \$333 billion. Moreover, within the last eight years the People's Bank of China has entered into swap agreements totalling 3.14 trillion yuan (\$510 billion), including with Uzbekistan, the Republic of Korea and the European Central Bank. In addition, there is a recent rise of small regional swap agreements between the central banks of other Asian economies, including Japan, the Republic of Korea, India, Indonesia and the Philippines.

39. The permanent European Stability Mechanism, active since 8 October 2012, has provided financial assistance to Cyprus and Spain. In July 2014, Brazil, the Russian Federation, India, China and South Africa (the "BRICS" group of countries) signed a treaty establishing a contingent reserve arrangement to address short-term liquidity pressures, promote further cooperation among the member countries, strengthen the global financial safety net and complement existing international arrangements.²² The regional financial safety net for South-East Asia, the Chiang Mai Initiative Multilateralization, founded in 2010, had doubled in size, to \$240 billion, by July 2014, and its secretariat, the Association of South-East Asian Nations (ASEAN) "Plus Three" Macroeconomic Research Office, was

²⁰ www.imf.org/external/np/fin/prgt/second.htm.

²¹ *Financing for Development: Enhancing the Financial Safety Net for Developing Countries* (IMF, Washington, D.C., 2015).

²² Treaty for the Establishment of a BRICS Contingent Reserve Arrangement, sixth BRICS summit, 15 July 2014.

upgraded into an international organization in October 2014. However, although the Chiang Mai Initiative has been in place for 15 years, it has not yet been called on, although the Latin American Reserve Fund, which operates independently, has been used frequently since it was established in 1978, despite its relatively small size.

40. Despite the progress described above, most of the regional safety net mechanisms are still insufficient to offer an adequate safeguard in times of emergency. Efforts to further strengthen crisis-lending facilities should focus on enhancing the various layers of the financial safety net and strengthening cooperation among the mechanisms at different levels. Enhancing cooperation and increasing complementarities between regional and global multilateral financing arrangements would contribute to global financial stability and sustainable growth.

Macroeconomic surveillance

41. IMF has increased its focus on the impact of risks to global stability emanating from the financial sector. The 2012 financial surveillance strategy lays the foundation for developing a unified macrofinancial framework that takes into account the interdependencies of financial sectors, linkages between financial conditions and macroeconomic stability and interactions between macroeconomic and macroprudential policies in the medium-term. In December 2013, the adoption of a revised methodology for determining jurisdictions with systemically important financial sectors expanded the number of countries that must undergo mandatory financial stability assessments to 29.

42. In October 2014, IMF completed its latest triennial surveillance review. The review examined the way the Fund conducted its economic and financial analysis and formulated policy advice. In that review the Fund found that recent reforms had led to an increased focus on risk-based surveillance, which had improved information capture of global economic and financial interconnections. However, the review also revealed that there was still significant scope to more effectively exploit the synergies between and among bilateral and multilateral surveillance. The IMF Executive Board called for more systematic analysis of outward spillovers and spillbacks in systemic countries and for greater quantification of the impact of risks and spillovers on recipient countries. While the review also raised a question about whether the IMF mandate was sufficient to support a stronger role of the Fund in global cooperation, a proposal for an expert group to explore this question was not supported by the Executive Directors.

Governance reform at the Bretton Woods institutions

43. The Addis Ababa Action Agenda calls for further increases in the voice and representation of developing countries in norm-setting processes and decision-making bodies, including IMF, the World Bank and the Basel Committee on Banking Supervision.²³ The IMF Executive Board and its Board of Governors approved changes to the Fund's governance in 2010, in connection with its 14th General Review of Quotas. These are seen as important steps towards a more representative, responsive and accountable governance structure. The reforms would double member countries' quotas while shifting voting rights to underrepresented members, including emerging-market and developing countries. The 2010 reforms

²³ Resolution 69/313, annex, para. 106.

also envisaged an all-elected Executive Board, including increased representation for emerging and developing countries. These reforms were agreed upon as a single package, which requires an amendment to the IMF Articles of Agreement.

44. In order for the proposed amendment to enter into force, acceptance by 113 IMF members having 85 per cent of the Fund's total voting power is required. As of June 2015, 147 members of IMF, with 77.25 per cent of total voting power, had accepted the amendment. Ultimately, adoption depends upon the acceptance by the IMF's largest shareholder, the United States, which has, to date, not been forthcoming.

45. IMF voting rights are guided by a quota formula, which was last recalibrated in 2008. Under the 2010 reforms, the quota formula was to be revamped by January 2013, with a new agreement on voting power redistribution to be reached by January 2014 in the context of the 15th General Review of Quotas. The quota formula had review yielded some agreements, including that GDP should remain the most important variable in any revamped quota formula, however the Executive Board agreed that achieving broad consensus on a new formula would best be done at the same time as the 15th General Review.²⁴

46. In January 2014, the IMF Executive Board concluded that additional time would be needed to complete its work on the 15th General Review of Quotas.²⁵ In February 2015, the IMF Board of Governors adopted a resolution calling for the completion of the 15th General Review by 15 December 2015, the deadline under the Articles of Agreement. At the same time, the Governors called on the Executive Board to work expeditiously and to complete work on interim steps to make meaningful progress in key areas covered by the 2010 reforms pending their full implementation. This work is still ongoing.

47. In 2010, the World Bank's shareholders agreed to conduct shareholding reviews at the International Bank for Reconstruction and Development every five years so as to reflect economic changes. Voting reforms agreed upon in 2008 focused on the smallest and poorest countries, while in 2010 they focused on middle-income countries and donors to the International Development Association. A third Executive Board chair for Sub-Saharan Africa was also created in 2010.

48. The stated objective of the 2010 phase was to ensure that the World Bank is relevant, effective, and legitimate with a committee of the Bank's Governors stressing the importance of moving "towards equitable voting power" in the World Bank over time through the adoption of a dynamic formula which primarily reflects countries' evolving economic weight and the development mission of the World Bank.²⁶ As a result, the voting power of developing and transition countries increased from 42.7 per cent in 2008 to 45.1 per cent in July 2015, and it is expected to be increased to 47.2 per cent by March 2017. However, some developing countries argue that the reforms still fall short of full representation of all countries, particularly the least developed countries. The Board of Executive Directors of the World Bank Group have started working on the 2015 review, which

²⁴ IMF, Executive Board Reports on the Quota Formula Review, 30 January 2013.

²⁵ IMF, 2010 Reforms and the 15th General Review of Quotas, report of the Executive Board to the Board of Governors, 16 January 2014.

²⁶ World Bank Group/IMF, Development Committee Communique, April 2010.

aims to “arrive at a benchmark for a dynamic formula”, which can be used for selective capital increases.

External debt restructuring

49. As the Highly Indebted Poor Countries initiative and the Multilateral Debt Relief Initiative have shown, debt relief is critical for putting countries on a sustainable path. However, there is a growing consensus, based on the recent experiences of Greece and Argentina in particular, that the processes for resolving sovereign debt crises need improvement. Processes remain decentralized and ad hoc, in that a country in debt crisis has to approach its different classes of creditors for a restructuring of obligations. Alternatively, it may approach a Government or an international institution to lend it funds with which to pay maturing obligations that its regular creditors will no longer roll over. The first European crisis loans to Greece were a case in point of the latter.

50. Although sovereign debt restructurings do take place, these are often “too little too late”. In practice, solvency problems are often dealt with by extending payment terms, but without “haircuts” or write-downs in the nominal value of debt owed. These types of restructurings often do not restore debt sustainability and market access, leading to repeated restructurings and dependence on official financing.

51. Until now, the Paris Club, the existing ad hoc machinery for restructuring bilateral official debt by some creditor countries, has only been used for restructuring the debt of developing countries. The high debt levels in some advanced countries may require debt restructuring to resolve the same problems, but there are no precedents or fixed rules for restructuring the bilateral official debt of these countries.

52. Restructuring of bank debt is typically managed through informal advisory clubs of banks known London Clubs. In addition, bond debt now represents a significant share in the composition of the overall debt of developing countries. The architecture for debt restructuring is thus fragmented. Restructuring of the various components of debt cannot be resolved under one umbrella entity, entailing different platforms, which can lead to delays in restructuring and high costs for debtors. From a creditor perspective, the present non-system does not ensure inter-creditor equity.

53. The challenges for a timely and adequate resolution of bonded debt problems are related to creditor coordination and the threat of litigation by hold-out creditors. In recent years, almost 50 per cent of sovereign defaults involved legal disputes abroad (compared to just 5 per cent in the 1980s), affecting 25 countries. Distressed debt funds were involved in 75 per cent of litigation cases.²⁷

54. Governments in Latin America and Africa were most affected, accounting for 79 and 27 creditor lawsuits, respectively. Most debt crisis-related cases have been filed against middle-income countries. Nearly 30 per cent of all lawsuits were launched against highly indebted poor countries, or 34 out of 120 cases.²⁷ The outcomes of these disputes have increasingly strengthened the hands of holdout creditors.

²⁷ Julian Schumacher, Christoph Trebesch and Henrik Enderlein, “Sovereign Defaults in Court: The Rise of Creditor Litigation”, May 2014.

55. There is a lack of systematic research on creditor returns in litigation, but at times they have been high. For instance, the litigators achieved an estimated gross return of 400 per cent in litigation against Peru, 60 per cent against Panama and (a presumed) 270 per cent against Yemen.²⁸

56. There has been a response to these difficulties at the international policy level. In October 2014, the IMF Executive Board endorsed a modified *pari passu* clause that explicitly excluded the obligation to pay creditors on a rateable basis. Furthermore, following close work with the International Capital Markets Association, the IMF Executive Board endorsed key features of an enhanced collective action clause, including a single-limb voting procedure, to reduce the ability of minority holdout creditors to undermine a bond exchange favoured by the majority of affected bondholders.²⁹ Since then, a number of countries have adopted key features of these recommendations in their new international debt issuances.

57. The drawback is that these changes do not affect the already existing stock of debt accumulated without these new clauses, and it would take years for a sufficient stock of debt of a country to be covered by the new clauses. The existing stock of debt remains vulnerable should a country need to restructure it in the interim period. Moreover, the underlying assumption in the rationale for aggregation is that no single investor has the scale of resources to build a blocking position when a series of bonds is aggregated. However, for countries with fewer bonds and small volumes, aggregate clauses cannot prevent investors from building up a position large enough to block restructuring. Furthermore, this improvement in contractual language applies only to bond contracts.

58. Another concern with the current practice is that the official community inappropriately pays for the exit of private capital from countries in debt crisis, as seems to have been the case in Greece. The IMF's Executive Board is currently proposing reforms to the IMF lending framework with two key elements: (a) the introduction of a "debt re-profiling" option to make the Fund's lending framework more flexible in cases where debt is assessed as sustainable but not with high probability; and (b) the elimination of the systemic exemption that, in the view of IMF staff, has proven to be ineffective at mitigating contagion and does not constitute a coherent solution to addressing spillovers from a sovereign debt crisis. IMF is seeking to strike a carefully thought out balance between financing and adjustment and managing spillover effects from any needed debt operation.³⁰

59. The international community called for an examination of enhanced approaches to sovereign debt restructuring in the Monterrey Consensus, and reiterated that request in outcome documents of major United Nations conferences and General Assembly resolutions. Most recently, pursuant to Assembly resolution 68/304, entitled "Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes", the Assembly, by its resolution 69/247, established the Ad Hoc Committee on Sovereign Debt Restructuring Processes for the discussion of principles and possible institutional processes to overcome

²⁸ Ibid., see appendix, "Creditor Returns to Litigation", "... the returns do not account for procedural costs, in particular, funding costs and legal costs".

²⁹ See "IMF supports reforms for more orderly sovereign debt restructurings", available from <http://www.imf.org/external/pubs/ft/survey/so/2014/NEW100614A.htm>.

³⁰ See IMF, "The Fund's Lending Framework and Sovereign Debt — Preliminary Considerations"; and United Nations Millennium Development Goals Gap Task force report 2014.

shortcomings in addressing sovereign debt. The Ad Hoc Committee concluded its work, endorsing the summary by the Chair of the Committee, in July 2015. However, the issue has proved to be a highly contentious one among borrowing and lending Governments, investors in sovereign bonds and the public at large. The challenge for the international community is to deal appropriately with high debt burdens where they arise, to help developing countries prevent the build-up of unsustainable debts and to support countries whose sustainable debt situations are suddenly rendered unsustainable by natural catastrophes, conflict or global financial disturbances.

IV. Encouraging longer-term investment for sustainable development

60. To address the enormous financing needs of sustainable development, both public and private sources of financing will be needed. While public financing, both national and international development assistance, will remain essential for many countries and sectors, it will not be sufficient on its own, and there is also an urgent need to mobilize long-term private investment in critical areas such as infrastructure (transport, energy, telecommunications and roads), human resources, health, the green economy and the financing of small and medium-sized enterprises.

A. Mobilizing longer-term investment in infrastructure

61. Although investment in infrastructure is particularly critical, including in energy, water, sanitation, transport and agriculture, in order to support growth, employment, structural transformation, social inclusion and environmental sustainability, there is an enormous financing gap in all of these areas. While developing countries currently spend about \$1 trillion a year on infrastructure, investment will need to increase by an estimated additional \$1 trillion a year through 2020 in order to maintain current growth rates and to meet the future demands of industry and households.³¹

62. To address the gap in infrastructure financing, both supply and demand-side impediments must be addressed. On the project side, insufficient investment can be the result of an insufficient enabling environment and an inadequate pipeline of well-prepared projects that are worthy of investment. Preparing such projects entails broader infrastructure investment plans, which should be part of national sustainable development strategies. These plans need to be translated into concrete project pipelines. Since many countries lack the capacity to develop such plans, technical support needs to be an integral part of a global infrastructure strategy.

63. On the finance side, there are constraints on both public and private resources in all countries. Constrained public budgets limit the public resources available for infrastructure investment. At the same time, since the financial crisis traditional private providers of financing for infrastructure (such as commercial banks) have reduced their infrastructure lending. New regulations, such as Basel III, which

³¹ See Department of Economic and Social Development, United Nations System Task Team, Working Group on Sustainable Development Financing, chap. 1, "Financing for sustainable development: review of global investment requirement estimates", chap. 1, New York, 2013.

imply a higher cost of capital for long-term investments, risk further constraining commercial bank infrastructure lending. In this regard, attention has been drawn to the potential of institutional investors as a source of longer-term finance for sustainable development. While some categories of institutional investors (especially those with longer-term liabilities, such as pension funds) may be considered important sources of longer-term financing, they currently less than 3 per cent of their investments are in infrastructure in either developed or developing countries. Many institutional investors are restricted to investing in liquid assets, precluding long-term investment in the real sector of the economy, and many do not have the in-house capacity to do the necessary due diligence to invest directly in infrastructure.

64. The Addis Ababa Action Agenda recognizes and seeks to address these challenges. At the national level, the Action Agenda stresses the need for countries to include resilient infrastructure investment plans in their national sustainable development strategies. It also emphasizes the importance of capacity-building, with the international community committing itself to ensuring technical support for countries to translate these plans into concrete pipelines of investible projects. The Agenda moreover encourages recent efforts by some private investors to develop new infrastructure platforms and calls for measures, such as reviews of compensation structures and performance criteria, to incentivize greater long-term investment.

65. A notable commitment in the Action Agenda is for the establishment of a new global infrastructure forum as a key pillar for achieving the sustainable development goals. Working with ongoing initiatives in the area of infrastructure finance, this platform will bring together relevant stakeholders, both private and public, to identify gaps and constraints, particularly for countries and sectors that are often overlooked, ensure that projects are environmentally, socially and economically sustainable and help mobilize financing from all sources.

66. Other commitments have been put forward by multilateral development banks. The World Bank, the African Development Bank, the Inter-American Development Bank, the European Bank for Reconstruction and Development and the Asian Development Bank have pledged to increase their level of lending to more than \$400 billion over the next three years. In addition, Japan has announced \$110 billion in additional financing for infrastructure. Furthermore, in addition to the new resources made available by the multilateral development banks, national development banks have also announced their intention to continue increasing financing and Canada and Italy have announced that they will launch new banks to invest in developing countries.

B. Conditions for effectively pooling public and private resources

67. Over the last decade, public-private partnerships, equity investments, guarantees and insurance have been increasingly used as mechanisms for using official resources to leverage private financing for the infrastructure sectors, including health, water and enterprise development. At the same time, it is necessary that these mechanisms be carefully assessed for their potential to deliver additional sustainable development and poverty reduction outcomes, while avoiding unnecessary liabilities on the public purse and the crowding out of local businesses

and transactions that would have otherwise taken place. The Addis Ababa Action Agenda calls on projects utilizing blended finance, including public-private partnerships, to be transparent, share risks and rewards fairly, include clear accountability mechanisms and meet social and environmental standards. The Action Agenda also calls for building capacity to enter into public-private partnerships, including with regard to planning, contract negotiation, management, accounting and budgeting for contingent liabilities. Governments are also committed to holding inclusive, open and transparent discussion when developing and adopting guidelines and documentation for the use of public-private partnerships, to building a knowledge base and to sharing lessons learned through regional and global forums.

C. Better alignment of private investment with sustainable development

68. At the same time as expanding the quantity and scope of private finance and investments, it is also important that they be better aligned with long-term performance and sustainability. In the Addis Ababa Action Agenda, world leaders pledged to promote sustainable corporate practices, including integrating environmental, social and governance factors into company reporting, as appropriate, with countries deciding on the appropriate balance of voluntary and mandatory rules. They further committed themselves to work towards harmonizing the various initiatives on sustainable business and financing, identifying gaps, including in relation to gender equality, and strengthening the mechanisms and incentives for compliance.

V. Conclusions

69. Financing will be critical for the achievement of the sustainable development goals. The requirements are enormous, but, as noted by the Intergovernmental Group of Experts on Financing for Sustainable Development,² currently available global public and private savings would be sufficient to achieve this goal. The ultimate objective of the international financial system is to facilitate the flow of funds from savers to investors in the right sectors. The Addis Ababa Action Agenda calls for multilateral cooperation in order to put in place suitable regulatory and policy frameworks that promote both stability, particularly in reducing systemic risks, and access to finance in a balanced manner.

70. Strengthening the effectiveness of ODA and other types of development cooperation remains an imperative for the post-2015 development agenda. The Action Agenda contains a strong commitment to improve the quality, impact and effectiveness of development cooperation and to align activities with national priorities, including by reducing fragmentation, accelerating the untying of aid, promoting country ownership and increasing transparency and mutual accountability.

71. South-South cooperation is an important complement to, but not a substitute for, North-South cooperation. The Action Agenda calls on developing countries to further improve South-South cooperation in accordance with the

provisions of the Nairobi outcome document of the High-Level United Nations Conference on South-South Cooperation.

72. Developing countries remain exposed to sudden changes in financial market sentiment and volatility of private flows, especially cross-border bank flows. The Action Agenda emphasizes the need to sustain or strengthen frameworks for macroprudential regulation and counter-cyclical buffers to address possible systemic vulnerabilities in the financial system caused by capital flow surges and outflows.

73. The Action Agenda recognizes the importance of leveraging longer-term investment into sectors that enhance development, especially in low- and middle-income countries. An enabling domestic and international environment is needed to mobilize long-term private investment, both domestic and foreign, into critical areas such as infrastructure, human resources, health, the green economy and the financing of small and medium-sized enterprises.

74. With a view to ensuring a fundamental reform of the global financial system, the Action Agenda emphasized the need for change in the following four major areas: (a) completion of the reform agenda on financial market regulation, including building the resilience of financial institutions; (b) assessment and, if necessary, reduction of the systemic risks associated with shadow banking, with the aim of ensuring transparent and resilient market-based financing; (c) addressing the risk created by "too-big-to-fail" financial institutions; and (d) reducing the risks associated with the markets for derivatives in order to make those markets safer.

75. Further progress is needed to ensure that a wide range of perspectives is taken into account in international financial market reforms. In this regard, the Action Agenda calls for a greater voice for developing countries in standard- and norm-setting bodies.

76. Although the international financial safety net has been strengthened at the regional and international levels since the global financial crisis of 2008, it does not yet provide an adequate safeguard in times of emergency. Enhancing cooperation and increasing complementarities between regional and global financing arrangements would contribute to global financial stability and sustainable growth.

77. The challenges for a timely and adequate resolution of sovereign debt problems, in particular with respect to creditor coordination and the threat of litigation by hold-out creditors persist: a timely solution in cases of debt distress would ultimately reduce possible future costs for all stakeholders.

78. The global economic governance structures have to further evolve in order to broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting. The implementation of the 2010 IMF quota and governance reforms would represent an important step forward and clear the way for a new agreement on the redistribution of voting power, which has been put on hold pending the implementation of the 2010 reforms.



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**Report of the Special Committee to Investigate Israeli Practices
Affecting the Human Rights of the Palestinian People
and Other Arabs of the Occupied Territories**

The occupied Syrian Golan

Report of the Secretary-General

Summary

The present report has been prepared by the Office of the United Nations High Commissioner for Human Rights pursuant to General Assembly resolution 69/94, in which the Secretary-General was requested to report to the Assembly at its seventieth session on the implementation of the resolution.

* A/70/150.



1. The present report is submitted pursuant to General Assembly resolution 69/94, in which the Assembly called upon Israel, the occupying Power, to comply with the relevant resolutions on the occupied Syrian Golan, in particular Security Council resolution 497 (1981), in which the Council decided that the Israeli decision to impose its laws, jurisdiction and administration on the occupied Syrian Golan was null and void and without international legal effect, and demanded that Israel rescind forthwith its decision. The Assembly repeated its call upon Member States not to recognize any of the legislative or administrative measures and actions referred to in the resolution and requested the Secretary-General to report to the Assembly at its seventieth session on the implementation of resolution 69/94.
2. On 19 May 2015, the Office of the United Nations High Commissioner for Human Rights (OHCHR), on behalf of the Secretary-General, addressed a note verbale to the Government of Israel, in which Israel was asked to provide information on any steps it had taken or envisaged taking concerning the implementation of the relevant provisions of the aforementioned resolution. At the time of reporting, no reply had been received.
3. Also on 19 May, OHCHR, on behalf of the Secretary-General, sent a note verbale to the Permanent Mission of the Syrian Arab Republic and all other permanent missions to the United Nations in Geneva, asking Member States to provide information on any steps they had taken or envisaged taking concerning the implementation of the relevant provisions of the resolution. In addition to the response from the Permanent Mission of the Syrian Arab Republic, replies were received from the Permanent Missions of Brazil and Cuba to the United Nations in Geneva.
4. In its note verbale dated 12 May 2015,¹ the Syrian Arab Republic mentioned that, since 1967, the international community had rejected the Israeli occupation of the Syrian Golan, as reflected in several United Nations resolutions, most recently in General Assembly resolution 69/25. In that resolution, the Assembly demanded that Israel withdraw from all the occupied Golan to the line of 4 June 1967. In addition, in resolution 69/94, the Assembly called upon Israel, the occupying Power, to comply with the United Nations resolutions relating to the Syrian Golan, particularly Security Council resolution 497 (1981), in which the Council, inter alia, decided that the Israeli decision of 14 December 1981 to impose its laws, jurisdiction and administration on the occupied Syrian Golan was null, void and completely illegitimate, and demanded that Israel rescind its decision forthwith.
5. The Syrian Arab Republic recalled that after 47 years of occupation, Israel continued its practices with impunity and disregard for international law and United Nations resolutions, despite repeated international calls to end the occupation and to halt its daily repressive practices in the occupied Syrian Golan.
6. The Syrian Arab Republic stated that Israel had provided logistical support to "terrorist groups" after the withdrawal of United Nations Disengagement Observer Force (UNDOF) forces from their positions. The Syrian Arab Republic condemned

¹ The Syrian Arab Republic provided its submission, as a State concerned, before the note verbale was sent by the Office of the United Nations High Commissioner for Human Rights to the States concerned, namely, the Syrian Arab Republic and Israel, as well as all other Member States on 19 May.

such acts of aggression as a flagrant and dangerous violation of international law and of the separation of forces agreement.

7. The Syrian Arab Republic condemned the Israeli settlement policy in the occupied Syrian Golan, noting that Israel continued to disregard the resolutions of the Security Council, the General Assembly and the Human Rights Council on the matter, most recently General Assembly resolution 69/92, by which the Assembly emphasized the illegality of the settlements and other Israeli activities in the occupied Syrian Golan, and reiterated its call upon Israel to desist from changing the physical character, demographic composition, institutional structure and legal status of the occupied Syrian Golan and to stop the establishment of settlements.

8. The Syrian Arab Republic condemned Israeli practices and conduct aimed at controlling and looting resources in the occupied Syrian Golan, in violation of Security Council resolution 497 (1981) and General Assembly resolution 69/241. According to the Syrian Arab Republic, Israel has exploited the natural resources of the occupied Syrian Golan and allowed settlers to exclusively use those resources, while depriving the Syrian population of their benefits.

9. As in previous notes verbales, the Syrian Arab Republic reiterated its concerns regarding the extraction of water by Israel from Lake Masada in 2010 to establish a farm for settlers. In addition, the Syrian Arab Republic stated that Israel had bulldozed land and carried out logging adjacent to the ceasefire line in the occupied Syrian Golan. It considered that action to be a violation of the Fourth Geneva Convention of 1949 and added that it had led to an economic and environmental disaster, allegedly resulting in material losses estimated at \$20 million.

10. The Syrian Arab Republic stated that Israeli occupation forces had confiscated thousands of hectares of land in the occupied Golan, onto which settlers had moved. The alleged aim of this "farm project" is to build 750 farms, on which 90 Israeli families are expected to settle over the course of 2015. The Syrian Arab Republic stated that Israel's strategy was to bring in 150 new families each year, until a total of 750 families had moved onto the land. It also stated that Israel had begun experimental drilling for oil exploration. According to the note verbale, this is currently being carried out by the Israeli oil exploration company AVIC near the so-called nature settlement; the company has completed drilling in the first test drilling site and will work on the second well in the coming month.

11. Furthermore, the Syrian Arab Republic condemned the funding by the European Union of a survey aimed at promoting alternative tourism in the Israeli settlements in the occupied Syrian Golan. It claims that this action is a clear violation of the Security Council and General Assembly resolutions, including resolution 69/94.

12. The Syrian Arab Republic called upon Member States to refuse, in accordance with their obligations under international law, the importation of natural products from the occupied territories and to remind Israel of its obligations under international law. In that context, the Syrian Arab Republic referred to reports on settlers exporting wine produced in the occupied territory to the European Union while illegally labelling it as an Israeli product.

13. It is alleged by the Syrian Arab Republic that Israeli troops detained Sedky el-Makt on 25 February 2015, after previously releasing him in 2012. In addition, on 2 May 2015, Israeli troops detained Sheikh Atef Darwesh from occupied Bokaata

village and Fedaa Magued Elshaer from occupied Magdal Shams village. The Government of the Syrian Arab Republic affirms that the policy of arbitrary detention and unfair trials constitutes crimes and human rights violations by Israel against Syrian civilians living for over five decades in the occupied Syrian Golan.

14. The Syrian Arab Republic reiterated its request to the Secretary-General, the United Nations High Commissioner for Human Rights, the President of the Human Rights Council and the President of the International Committee of the Red Cross that they pressure Israel to ensure that Syrian prisoners detained in its jails are kept in more humane and healthy conditions and to condemn inhumane conditions and the deprivation of visitation rights.

15. As in previous notes verbales, the Syrian Arab Republic called for international pressure on Israel to allow the Syrian population of the occupied Syrian Golan to visit their families in the Syrian Arab Republic through the Quneitra crossing. The Syrian Arab Republic noted that preventing such visits was in violation of the Geneva Conventions and customary international humanitarian law and led to the suffering of Syrians in the occupied Syrian Golan. The Syrian Arab Republic noted that the suffering of the Syrians in the occupied Syrian Golan had worsened since the Al-Nusra Front terrorist group gained control of the Quneitra crossing, which it claims has support from the Israeli occupation troops. The Syrian Arab Republic claims that this has resulted in preventing students from the occupied Syrian Golan to cross to their homeland in the Syrian Arab Republic to follow up on their university studies.

16. The Syrian Arab Republic affirmed that the achievement of a fair and comprehensive peace in the Middle East would require the implementation of United Nations resolutions aimed at ending the Israeli occupation of the Syrian Golan and other Arab territories. It stated that President Bashar al-Assad had shown, on several occasions, his willingness to resume peace negotiations on the same basis upon which the Madrid peace process was started in 1991. It further noted that in international forums, the Syrian Arab Republic had declared its full commitment to relevant international resolutions and had called for their implementation, in particular Security Council resolutions 242 (1967), 338 (1973) and 497 (1981). The Syrian Arab Republic also called for the implementation of the principle of land for peace, in order to ensure the full withdrawal by Israel from all of the occupied Syrian Golan to the line of 4 June 1967.

17. The Syrian Arab Republic concluded by stating that reaching sustainable peace and stability in the Middle East would require measures to ensure the enforcement of all relevant international resolutions, including the Geneva Conventions, without discrimination or selectivity.

18. On 10 June 2015, the Permanent Mission of Brazil to the United Nations Office and other international organizations in Geneva sent a note verbale stating that, in accordance with resolution 69/94, Brazil has systematically recalled, in all relevant forums, the illegality, according to international law, of Israel's occupation of the State of Palestine and other Arab territories, including the Syrian Golan. Brazil also recalled the responsibility of Israel, as the occupying Power, to comply with all relevant international obligations and, in particular, the Fourth Geneva Convention, article 49 (6) of which, prohibits the occupying power from deporting or transferring parts of its own civilian population to the territory it occupies.

19. Furthermore, Brazil recalled Legislative Decree No. 936 of 17 December 2009 by which the Brazilian Federal Parliament adopted the Free Trade Agreement between the Common Market of the South (MERCOSUR) and Israel signed in Montevideo on 18 December 2007. According to Brazil, it is stated in article 2 of the Decree that the Free Trade Agreement had been approved on the understanding that Brazil would negotiate, within the joint committee established in chapter IX of the Agreement, the exclusion, from its scope of implementation, of all goods whose certificates of origin indicated that they proceeded from territories placed under the administration of Israel after 1967.

20. In its response dated 25 May 2015, the Permanent Mission of Cuba to the United Nations in Geneva repeated its demands for the international community to call upon Israel to withdraw from the occupied Syrian Golan. Cuba reiterated that Israel continued to occupy the territory with total impunity, in flagrant violation of international law and United Nations resolutions. Cuba stated that the illegal decision adopted by Israel on 14 December 1981 to amend the legal status, physical nature and geographic composition of the occupied Syrian Golan, as well as its institutional structure, and the Israeli measures to implement its jurisdiction and its administration in this zone, were null, void and without jurisdiction.

21. Cuba also reaffirmed that all measures and actions by Israel through which it sought to impose its legislation, jurisdiction and administration in the occupied Syrian Golan, including the illegal activities of construction and expansion of Israeli settlements in the occupied territory since 1967, were a flagrant violation of international law, international conventions and the Charter and resolutions of the United Nations, in particular Security Council resolution 497 (1981) and the Fourth Geneva Convention of 1949.

22. Cuba condemned the settlement policies enacted by the Government of Israel in the occupied Syrian Golan, ignoring international law, international conventions, the Charter and the resolutions of the United Nations. It called upon Israel to immediately cease the expansion of illegal settlements where Israeli settlers enjoy disproportionate benefits, especially in terms of water and agricultural resources. According to Cuba, the situation regarding the settlements must be reversed.

23. At the same time, Cuba rejected the policies and practices aimed at the illegal exploitation of natural resources in the occupied Syrian Golan, including oil exploration, in contravention of the principle that establishes the permanent sovereignty of peoples under occupation over their natural resources.

24. Cuba called upon Israel to fully withdraw from the occupied Syrian Golan, to the line of 4 June 1967, in compliance with Security Council resolutions 242 (1967) and 338 (1973), and to give up its unbridled attempts to annex the Golan from the Syrian Arab Republic. Cuba reiterated the fundamental principle that the acquisition of territory by force is inadmissible under international law and the Charter of the United Nations, and that it is unacceptable that the occupied Syrian Golan has been under Israeli military occupation since 1967.

25. Cuba strongly condemned the brutal Israeli practices in prisons created during the occupation. It reiterated its serious concern about the inhuman conditions of Syrian detainees from the occupied Syrian Golan, leading to the deterioration of their physical health and putting their lives in danger, in flagrant violation of international humanitarian law. Cuba demanded that Israel immediately comply

with the Fourth Geneva Convention of 1949, which applies to the situation of Syrian detainees in the occupied Syrian Golan.

26. Cuba called upon the States Members of the United Nations not to recognize any of the measures or legislative or administrative actions adopted by Israel referred to in General Assembly resolution 69/94.

27. Cuba stated that the Movement of Non-Aligned Countries reaffirmed its unconditional support and solidarity with the just demands and rights of the Syrian Arab Republic to restore full sovereignty in the occupied Syrian Golan, based on the mandate of the Arab Peace Initiative, the Madrid peace process and the principle of land for peace and in accordance with the relevant Security Council resolutions.

28. Cuba underscored that the continued occupation of the Syrian Golan and its de facto annexation constitute a threat to peace and security in the region.
